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HCRA

HB 932

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723

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 932
 Title An Act creating the office of rural development, and the Rural Development Council
 Requested by Representative Duncan Date 4-11-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 4-11-80 PREPARED BY *DM* Palmer McCarter
 AGENCY Community & Regional Affairs
 PHONE 465-4707
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

465-3600

April 15, 1980

The Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

*Received after
bill was passed
out of Committee*

Re: CSHB 932, relating to
rural development

Dear Mr. Chairman:

We wish to call to your committee's attention some legal problems presented by CSHB 932, a bill establishing the office of rural development and the rural development council.

The bill provides for members of the legislature to serve on the rural development council then vests the council with a veto power over the expenditure of federal money for rural development. As you know, the ruling in Kelley v. Hammond was that the constitution does not permit that arrangement. Moreover, by vesting the council with that power and with the duty of providing policy direction for the office of rural development and assisting it in its activities, the bill necessarily makes membership on the commission a public office. Members of the legislature may not, of course, hold other office. Begich v. Jefferson, 441 P.2d 27 (Alaska 1968). Were they to accept appointment to this commission, they might forfeit their office as legislators, that being the general rule.

Additionally, the bill provides (Sec. 44.19.220) for the director of the office of rural development to hire staff and determine their compensation, within the budget limits. No reason occurs why this office should be different from others and not staff and fund positions in accordance with the same rules and procedures as all other agencies. This provision implies a difference.

We would recommend that lines 7-8 on page 2 of the

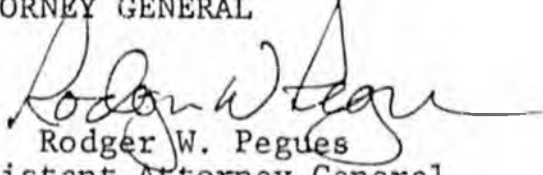
The Honorable Russ Meekins, Chairman
House Finance Committee
April 15, 1980
Page #2

bill be deleted, that lines 25 and 26 on page 2 be deleted, that everything after the word "council" on line 11 and all of lines 12 and 13 on page 3 be deleted, that the words "legislative co-chairman," on line 29 on page 3 be deleted, and that the first sentence on lines 19-20 on page 4 be deleted.

We appreciate this opportunity to bring these matters to your attention.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: 
Rodger W. Pegues
Assistant Attorney General

RWP/pjg

cc: Honorable Bill Parker, Chairman
House Community & Regional
Affairs Committee

4/16/80

Meeting

Gordon Stockday, A.A. Jim Duncan
Billy Berrier, LAA
Marjorie Gorsuch, A.A. House C&RA

Discussed change in wording on
p. 2 line 6 to reflect intent of
committee . Would read:

Appropriations for rural development
from federal money be expended only with concurrence
of the Council.

Alaska State Legislature

TELECONFERENCE HEARINGS



DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Anika Tritonnel	TWO AL CAP	327 Eagle, Anch.	279-2511	✓	
Carol J Kaehle	Comm. & Reg. Affairs	Pouch B, Juneau, AK	465-4711	✓	
Jean Schramm	Comm. & Reg. Aff.	Pouch B, Juneau	465-4711	✓	
Andrew W. Dooce	TLINGIT-HAIDA CENTRAL COUNCIL	1 SEALASKA PLAZA JUNO, AK. 99801	6-1432		X
Arlene G. Dilts	Central Council of the Tlingit & Haida Indian Tribes of Alaska	One Sealaska Plaza, Suite 200 Juneau 99801	586-1432	✓	
Jolly Rue	DFOP	RICH AD. JUNEAU	465-3573	✓	
Gordon Wickdale	Budget & Audit	Pouch V Juneau	465-3853	✓	X
Jon D. Halliwell	MAYOR OF HAINES	P.O. Box 179 - HAINES	766-2338		X
Gerald Anlon	here on RSVF for Government	P.O. Box 48 Iliamna AK 99606	571-1232	✓	
Bob James	USDA - Forest Service	Box 1628, Juneau 99802	586-7510	✓	
Robert L. Larson	Sealaska Corp	One Sealaska Plaza	586-1512		X

JUNEAU

ANCH. (BARBARA)

RODGER LANG - AK. NATIVE FOUNDATION

PHIL SMITH - RURAL CAP

JACK RODRICK - FARMERS HOME ADMINISTRATION

~~FBX (GARY)~~ Maxine

Samuel Dementieff

(2)

SITKA (CHARLES)

KK LAR (LEONARD)

SILOTTA (RHECK)

RHECK WITH Forule Macilhandy KPB

Tim Smith

KODIAK (MARTIN JO)

BOB REEDER - KODIAK AREA NATIVE ASSO.

WILLINGHAM (MARTIN JO)

BETHEL (WALLY)

NOME (BOB)

CHARLES JOHNSON

GEORGE WILSON

NAME	RESIDENCE	TEL.	ADDRESS/NOTE
CLARENCE ANTOQUA	SEALASKA COOP.	586-1572	- address
Kate W. Burstein	F+G Suiport Bldg.	465-4110	- home obs
Lalard Kellard	Alaska Native Brotherhood	586-3301	

KOTZEBUE (MARY)

AL ADAMS

BOB KNOLL

WASILLA (MARY)

ELSIE O'BRIEN

VALVEZ (PAT)

3/28/80

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State FHA rep

SCR 41 Est. State CC Level Policy (Senate Resources)
[OEDP - mandate regional rep. &
Under EDA reg. (304)

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Home

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Ed: supports funding job as highest priority

p 2 line 4 I speak strongly

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Lecture 2: Perovskite & Scaphite

- Good student - annotations
- why is it scaphite
- scaphite - perovskite - mantle at depth of the Earth
- perovskite is found in the mantle
- the mantle is hot and the perovskite is stable at high temperatures
- the mantle is hot and the perovskite is stable at high temperatures
- the mantle is hot and the perovskite is stable at high temperatures

Why is it scaphite?

It is scaphite because it is stable at high temperatures and high pressures.

Call the mantle is hot and the perovskite is stable at high temperatures.

116932

3/28/86

Anderson District 12

1/1/86 with Simmons not mentioned full
name record delay see p. 6

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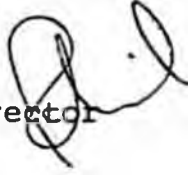
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Rural Alaska Community Action Program, Inc.

TO: DISTRIBUTION

DATE: April 1, 1980

FROM: Phil Smith, Executive Director 

SUBJECT: Attached (testimony on HB 932)

Attached, for your information and comment, is a copy of the testimony I prepared and delivered last Friday before the Joint House/Senate CRA Committees on HB 932.

In essence, it is a good Bill and sorely needed to meet the problems and issues it identifies. My only problem is that it doesn't seem to go far enough to serve as an instrument to truly force the Administration to develop appropriate rural Development policies for Alaska.

I would be interested in your comments and observations. Clearly, the time has come to push this issue.

Thanks for your help.

cc: Rep. Bill Parker
Sen. Arliss Sturgelewski
Rep. Jim Duncan
Bob Knoll, Mauneluk Assn.
Bob Peterson, KANA
Charles Johnson, Kawerak
Roger Lang, ANF
Janie Leask, AFN
Jeff Hiatt, CEDC
Don Argetsinger, Governor's Office
Jim Fisher, USDA
Ms. Lare, DCRA/RDA

Rural Alaska
Community Action Program, Inc.

TESTIMONY OF
PHIL SMITH, EXECUTIVE DIRECTOR
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.

BEFORE
JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

HB 932

MARCH 28, 1980

LADIES AND GENTLEMEN OF THE JOINT COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS, FOR THE RECORD, MY NAME IS PHIL SMITH. AS EXECUTIVE DIRECTOR OF THE RURAL ALASKA COMMUNITY ACTION PROGRAM, I WELCOME AND APPRECIATE THIS OPPORTUNITY TO TESTIFY ON HOUSE BILL 932, AND TO EXPRESS MY SUPPORT FOR ITS PASSAGE. CLEARLY, THE ISSUE OF RURAL DEVELOPMENT IN ALASKA IS ONE WHICH IS BOTH TIMELY AND APPROPRIATE FOR THE LEGISLATURE TO ADDRESS.

AT THE OUTSET, I WOULD LIKE TO CONGRATULATE THE AUTHOR AND SPONSOR OF THE BILL FOR RECOGNIZING THE SERIOUS PLIGHT OF RURAL ALASKA. FURTHER, THE STATEMENT OF FINDINGS, POLICY, AND PURPOSE CONTAINED IN SECTION 1 OF THE BILL IS LAUDABLE, IF FOR NO OTHER REASON THAN THAT THE BILL PROCLAIMS THE POLICY THAT "VILLAGES AND SMALL COMMUNITIES SHOULD EXIST IN THE STATE." IN SPITE OF THAT IMPORTANT AND SIGNIFICANT POLICY STATEMENT, HOWEVER, SECTION 1 MAY BE A LITTLE TOO OPEN TO INTERPRETATION. TERMS NEED TO BE DEFINED.

FOR INSTANCE, WHAT IS REALLY MEANT BY "RURAL DEVELOPMENT," A "HEALTHY PRIVATE ECONOMIC BASE," AND "THE ADVOCACY OF A PRIVATE ECONOMY?" IF THE ASSUMPTION IS THAT THE PUBLIC INTEREST IS TO BE SERVED BY THE EXISTENCE OF SMALL TOWNS AND VALLAGES IN ALASKA, THEN THE BILL'S EMPHASIS ON DEVELOPMENT OF A "PRIVATE ECONOMIC BASE" SEEMS TO ME TO RESPOND TO ONLY A SMALL PART OF THE CHALLENGE.

THERE IS NO DOUBT IN MY MIND THAT THERE IS A DEMONSTRATED NEED FOR THE STATE OF ALASKA TO DEVELOP AN ECONOMIC POLICY FOR RURAL ALASKA. ABSENT SUCH A POLICY, THE "ECONOMIC CRISIS" REFERRED TO IN THE BILL WILL UNDOUBTEDLY CONTINUE. ALSO, ABSENT SUCH A POLICY, IT WILL BE DIFFICULT, IF NOT IMPOSSIBLE, TO DEVISE AND IMPLEMENT APPROPRIATE POLICIES RELATING TO ENERGY, TRANSPORTATION, TELECOMMUNICATIONS, HUMAN SERVICES, LOCAL GOVERNMENT, AND THE WHOLE HOST OF OTHER PUBLIC ISSUES WHICH IMPACT THE LIVES OF VILLAGE PEOPLE.

- So, yes, we need an economic policy. I am not sure, however, that we need to develop such a policy by transferring all of the assumptions of the Western cash economy onto the backs of village people. An "economic policy" for rural Alaska must be one which is appropriate to each locale, not one that is designed only to maximize capital in the private sector in order to develop businesses for their own sake. An appropriate economic policy for rural Alaska must include a thorough and sensitive analysis of the nutritional/cultural/economic imperative of subsistence. Additionally, it must be planned and it must grow from the village and from the villager's own aspirations. Any "economic policy" devised in Washington or Seattle or Juneau or Anchorage and thrust upon the villages may well do far more harm than good.

Accordingly, as the language of HB 932 is further developed, I would suggest that the statement of findings, policy, and purpose be re-worked to demonstrate a high degree of sensitivity to what rural development is really all about -- that is, the well-being of rural Alaskan people on their own terms, with their own expectations being the bell-wether against which to measure its success, and the freedom and the authority to control their own destiny. It is clearly not enough to import the failing of the Western cash economy to rural Alaska.

All of the above implies a significant and most complex challenge for those who would develop public policy. Unfortunately, the mechanism proposed in HB 932 (the creation of a "Rural Development Council" and a staff position, both lodged within the Office of the Governor) may not be adequate to respond to the issues and concerns that the bill itself identifies.

The pervasive assumption behind the need to create the Council and the Office of Rural Development is that existing mechanisms already available to the Administration (such as the Department of Community and Regional Affairs and other line

DEPARTMENTS AND AGENCIES OF STATE GOVERNMENT, THE DIVISION OF POLICY DEVELOPMENT AND PLANNING IN THE GOVERNOR'S OFFICE, THE STATUTORIALLY AUTHORIZED BUT UNFUNDED RURAL AFFAIRS COMMISSION, AND OTHER STRUCTURES AVAILABLE TO THE GOVERNOR) LACK EITHER THE MANDATE, THE WILL, OR THE DIRECTION TO DO THE JOB. SINCE THERE IS A PERCEIVED LACK OF COMMITMENT ON THE PART OF THE ADMINISTRATION TO FORTHRIGHTLY ADDRESS THE PROBLEM, I AM CONCERNED THAT ALL THIS BILL REALLY DOES IS TO HAND THE GOVERNOR YET ANOTHER STRUCTURE WHICH MAY OR MAY NOT FUNCTION. THEREFORE, BOTH THE POWER AND THE AUTHORITY - OF THE COUNCIL NEED TO BE CONSIDERABLY EXPANDED.

ANOTHER CONCERN I HAVE WITH THE STRUCTURE, SCOPE, FUNCTION, AND MANDATE OF THE COUNCIL, AS OUTLINED BY THE BILL, IS THAT (WITH THE EXCEPTION OF THE DIRECTOR OF THE COOPERATIVE EXTENSION SERVICE OF THE UNIVERSITY), THERE IS NO ROOM FOR FEDERAL INVOLVEMENT. PRESIDENT CARTER'S DECEMBER 20TH PROMULGATION OF THE "SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY" OF THE UNITED STATES GOVERNMENT IS A CLEAR INVITATION AND A CHALLENGE FOR GOVERNORS TO ESTABLISH STATE RURAL DEVELOPMENT COUNCILS AS MECHANISMS FOR INSURING COORDINATION OF JOINT FEDERAL/STATE EFFORTS TO IMPLEMENT LOCAL RURAL DEVELOPMENT PRIORITIES. IN SHORT, THE PRESIDENT IS ASKING STATES TO TELL THE FEDERAL GOVERNMENT WHAT RESPONSES IN FEDERAL POLICY AND PROGRAMS AND FUNDING PRIORITIES ARE NEEDED IN ORDER TO ACTUALIZE THE DEVELOPMENTAL DESIRES OF RURAL AMERICA.

ALTHOUGH I ADMIT IT IS POSSIBLE (EVEN TEMPTING ON OCCASION) TO BE CYNICAL ABOUT THE MOTIVES OF THE FEDERAL GOVERNMENT AS THEY RELATE TO ALASKA, THERE IS EVERY INDICATION THAT, AT LEAST IN THIS INSTANCE, THE PRESIDENT IS SERIOUS. IF THE PURPOSE OF HB 932 IS TO ESTABLISH A STRUCTURE TO TAKE ADVANTAGE OF PRESIDENT CARTER'S RURAL INITIATIVES, IT SEEMS TO ME THAT FEDERAL PARTICIPATION OF THE COUNCIL IS INDICATED.

IN CLOSING, I WOULD LIKE TO REITERATE MY SUPPORT OF HB 932, AND URGE ITS PASSAGE ONCE MORE. AS I NOTED EARLIER, THERE IS A SIGNIFICANT LACK OF POLICY DEVELOPMENT AND POLICY

DIRECTION RELATING TO COMMUNITY DEVELOPMENT IN RURAL ALASKA.
• THAT THIS FACT IS RECOGNIZED BY THE AUTHORS OF THE BILL AND
BY THE COMMITTEES HOLDING HEARINGS ON IT IS A SIGNIFICANT
STEP IN THE RIGHT DIRECTION. THE WEAKNESSES IN THE BILL
WHICH I HAVE NOTED IN THIS TESTIMONY ARE MINOR. SHOULD
THE COMMITTEES BE INTERESTED, I WOULD BE HAPPY TO WORK WITH
THE MEMBERS TO ASSIST IN DRAFTING APPROPRIATE AMENDMENTS.
BEYOND THAT, I AM SURE THAT OTHERS TESTIFYING TODAY WILL LIKE-
WISE COMMIT THE NECESSARY TIME AND EFFORT TO ASSURE THAT A
COMMITTEE SUBSTITUTE EMERGES WHICH CAN DO THE JOB THAT SO
DESPARATELY NEEDS TO BE DONE.

THANKS VERY MUCH FOR THE OPPORTUNITY TO TESTIFY.
I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MIGHT HAVE.

BACKGROUND AND DISCUSSION PAPER ON STATE-LEVEL
RURAL DEVELOPMENT COORDINATION

(For Use at December 19 Meeting of USDA Rural Development
Coordinating Committee)

Re:
NAGLE

Background:

1. The President's Policy Statement on Small Communities and Rural Development calls for strengthening the interdepartmental Assistant Secretaries Working Group on Rural Development by designating the President's Assistant for Intergovernmental Affairs or his designee to be cochairperson with the Secretary of Agriculture's designee. The statement also assigns to the Working Group primary responsibility for implementing those programmatic initiatives and reforms requiring interagency coordination and cooperation.

2. In calling for support of state rural development councils to institutionalize and coordinate rural development efforts within state government and to provide a focus for coordination with federal agencies, the White House statement echoed the first three directives to State Rural Development Coordinating Committees listed in Secretary Bergland's Memorandum No. 1979 on Rural Development of March 21, 1979:

- 1) Support the establishment of a governor's rural development council or similar structure for rural development policy management within a State government.
- 2) Work with the governor's council and/or other appropriate agencies in the State to develop State and local rural development strategies.
- 3) Develop strategies for targeting USDA resources and encouraging other Federal and State agencies to cooperatively target their programs on locally determined rural needs.

3. Entities already in existence at the time of the Secretary's Memorandum include the Minnesota Rural Development Council under the Office of the Governor, the Alaska Rural Development Council, and Nevada's Resource Action Council. In recent months, governors in North Carolina, New York, New Mexico, and Arizona have established Rural Affairs Councils with staff support provided in part by Section 111 Rural Planning grants from FmHA. Planning for similar councils is underway in Maine, Vermont, New Hampshire, and Puerto Rico. They have also received Section 111 grants to help staff such councils. The governors of West Virginia and Arkansas are currently considering the official designation of present state Rural Development Committees if membership on them is broadened to include all the federal and state agencies with programs that impact on development in rural areas. The Rural Affairs Councils previously in existence, as well as those recently established, vary widely in structure and in the extent of the involvement of federal agencies.

12 States & Puerto Rico

4. Some outstanding examples of State Rural Development Committees which are successfully involving a wide range of non-USDA federal agencies, as well as state agencies and substate planning districts, include Florida, Massachusetts, Wyoming, Missouri, and Pennsylvania. Other committees that are undergoing revival and restructuring and that show promise of becoming effective interagency coordinating instruments include Washington, Oregon, Idaho, Wisconsin, and Kentucky. In the Kentucky restructuring, consideration is being given to asking the Governor to designate a state cochairperson of the committee who will serve with the elected federal chairperson. *10 states*

Most of the other State Rural Development Committees in both membership and emphasis are dominated by USDA. Although some have involved state agencies, very few have managed to attract the non-USDA federal agencies, such as HUD, EPA, and EDA whose funds account for so much of what is spent on development in rural areas. Although the committees have served as useful forums and coordination instruments for USDA itself, few could be described as effective instruments for coordination of agencies and programs outside USDA.

Action Recommendations:

1. The cochairpersons of the Assistant Secretaries Working Group on Rural Development should:

- a. invite governors who have already established Rural Affairs Councils to include either directly or on relevant subcommittees or task forces the key federal agencies with development programs impacting on rural areas;
- b. invite governors without such councils to establish them with the degree of federal agency involvement that will make the councils the major instrument of rural development coordination as called for in Section 603 of the Rural Development Act of 1972;
- c. request the chairpersons of the Federal Regional Councils to establish rural development task forces or subcommittees for each of the Federal Regions;
- (d) establish a direct tie between the state councils, the FRC committees, and the Assistant Secretaries Working Group on Rural Development;
- e. ask members of the ASWG to direct their respective field staffs to become actively involved in the FRC committees and the state-level Rural Affairs Councils;
- f. in states where governors are reluctant to establish official Rural Affairs Councils, ask the present State Rural Development

Committees to expand their membership or to establish appropriate task forces or subcommittees that would involve the relevant state agencies and such non-USDA agencies as HUD, EPA, EDA, and CSA. Such committees will be considered the major state-level coordination instrument as called for in Section 603 of the Rural Development Act. The Assistant Secretaries who make up the Assistant Secretaries Working Group on Rural Development will be asked to direct the ranking official of their agency in such states to become an active member of the committee.

2. The USDA Rural Development Coordinating Committee should:
 - a. Support the Assistant Secretaries Working Group on Rural Development and the White House Office for Intergovernmental Affairs in carrying out the above recommendations, by
 - (1) urging the chairpersons of the present State Rural Development Committees to reinforce the invitation to the governors by offering assistance in the establishment of a Rural Affairs Council;
 - (2) using the Regional Workshops to win the support and involvement of the Rural Development Committees in the move toward Governors' Rural Affairs Councils;
 - (3) ensuring that nothing of value in the work now going on in the state committees is lost in the creation of new entities.

Implications for Present Rural Development Committees:

1. Where governors' Rural Affairs Councils have been created, the former USDA-initiated Rural Development Committees are urged, but not required, to stay in existence. (In North Carolina, New Mexico, and Arizona, where Rural Affairs Councils have been created, the Rural Development Committees, made up of USDA agency heads, have remained in existence. Their continued existence enables the USDA agencies to respond to the initiatives of the Councils, to suggest certain initiatives to the Councils, and to deal with rural development matters more particularly to USDA.)

2. Where governors' Rural Affairs Councils are created, the present committees might well decide to rename as "USDA Rural Development Liaison Committees" to keep the distinction clear.

3. Because most of the present State Rural Development Committees are, in effect, USDA committees, with 11 of them now using USDA in their titles, little change would be necessary.

4. For those few present committees that are recognized by governors, state agencies, and non-USDA federal agencies as broadly representative federal/state coordinating instruments, some will very likely be asked to evolve more formally into a governor's officially designated Rural Affairs Council.

5. Since most of the present Small Farm and Land Use Committees are ~~related or subcommittees~~ or otherwise, to the present Rural Development Committees, a number of options are possible.

- a. Some might become subcommittees or task forces of a governor's Rural Affairs Council.
- b. Some might emerge as separate committees within the structure of the new USDA State Coordination and Administration Committees. (This would certainly be the case should a Rural Development Committee decide to dissolve itself.)
- c. Most will most likely remain and be related to a USDA Rural Development Liaison Committee.

Criteria for Governors' Rural Affairs Councils:

Much more thinking needs to be done. Such entities are pioneer efforts in federalism and public administration. Useful for discussion purposes are some criteria that apparently were considered in the establishment of the New York Rural Affairs Council. As described by the Council's co-vice chairperson, Karen Noble Hanson, the minimum requirements considered for the Council were:

- 1. Include at least five to six federal agencies.
- 2. Include major state agencies having rural development mandate or programs.
- 3. Have representation at the highest level of these agencies so that policy-level persons were present and able to make decisions.
- 4. Be chaired by the Governor or Lieutenant Governor, personally, with co-chairs of USDA and other state agencies.
- 5. Having working committees that would bring thoughtful program, legislative, and regulatory ideas or concerns to its attention. The committee would transmit these ideas to the proper state or federal officials.
- 6. Have the blessing and support of the Governor's office.
- 7. Be negotiated by written agreement.
- 8. Be staffed initially by a person from a Section 111 FmHA grant, eventually by the state government directly.

*state
legislative?*

The New York Rural Affairs Council is chaired by the Lieutenant Governor. Co-Vice chairpersons are the head of New York's State Agriculture and Markets Department and the USDA Regional Representative to the Federal Regional

Council. Federal agencies serving are: USDA, HUD, HEW, CSA, DOT, EPA, and EDA. Nine state agencies are included. Four subcommittees (agriculture, economic development, health, and housing) do the major work of the Council.

As described by Ms. Hanson, "All USDA agency heads have been invited to serve on all subcommittees of the Council. In addition, all USDA agency heads will serve on the subcommittee on agriculture." Apparently, although only one USDA representative will be a member of the Council itself, all USDA agency heads will be invited to all Rural Affairs Council meetings.

Calendar No. 183

96TH CONGRESS
1st SESSION**S. 835**

[Report No. 96-171]

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, FEBRUARY 22), 1979

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

MAY 15 (legislative day, APRIL 9), 1979

Reported by Mr. RANDOLPH, with amendments and an amendment to the title

[Omit the part struck through and insert the part printed in italic]

A BILL

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Regional Development
4 Act of 1979".

5 SEC. 2. (a) Multistate regional commissions, established
6 under the Appalachian Regional Development Act of 1965
7 and title V of the Public Works and Economic Development
8 Act of 1965, and strengthened under the Regional Develop-
9 ment Act of 1975, have displayed a strong potential for in-
10 creasing State and substate efforts in behalf of regional con-
11 cerns. Significant opportunities and problems demanding
12 multistate regional cooperation and State participation
13 remain. In addition, a new range of national problems having
14 regional dimensions has appeared, including community con-
15 servation, energy development and conservation, transporta-
16 tion, and export development.

17 (b) In the Regional Development Act of 1975, the Con-
18 gress provided regional commissions with broader authorities
19 and placed the title V regional commissions with the Appala-
20 chian Regional Commission in a common framework in
21 which all commissions were encouraged to address shared
22 development problems and issues of regional transportation,
23 health, education, and energy development.

24 (c) The potential of multistate decisionmaking when ap-
25 plied to programs and projects of regional significance indi-

1 states the desirability of expanding the regional commissions
2 to cover the entire Nation. The Congress finds that all States
3 should be afforded the opportunity to join a regional commis-
4 sion established under this Act. The Congress also finds that
5 multistate regional institutions represent a unique and pro-
6 ductive means of providing incentives for concerted and coop-
7 erative action among groups of States acting together with a
8 Federal representative as a regional commission. The Con-
9 gress also finds that there is need to provide special incen-
10 tives beyond those authorized in existing legislation to im-
11 prove the ability of regional commissions to assist Governors
12 to coordinate regional, State, and substate development
13 programs.

14 (d) Therefore, it *It* is the purpose of this Act to create a
15 nationwide system *authorize creation* of regional commissions
16 and to provide a framework for regional commissions to co-
17 ordinate the efforts of Federal, State, and local governments
18 in (1) planning for growth and change so as to maximize the
19 social and economic benefits and to minimize the costs in
20 activities which will improve the quality of life for the people
21 in all the regions of the Nation; (2) implementing regional
22 programs and projects which can be carried out through in-
23 tergovernmental cooperation; (3) meeting the special prob-
24 lems created in a region as a result of national policies or
25 needs; (4) providing improved means to direct assistance to

1 States for resolving shared and interstate regional problems;
2 (5) providing a new mechanism for improving the ability of
3 Federal programs and policies to function effectively, taking
4 into account specific regional differences and perspectives;
5 and (6) serving as a model for simplified and flexible program
6 administration while meeting statutory objectives. (1) plan-
7 ning and implementing programs to improve the capability of
8 States and local governments to resolve shared and interstate
9 regional problems of economic decline and dislocation due to
10 rapid growth; (2) undertaking shared efforts to establish
11 stable and diversified regional economies and meet basic
12 service needs in areas and communities experiencing econom-
13 ic decline or dislocation due to rapid growth; (3) providing a
14 mechanism for improving the ability of Federal programs
15 and policies to function effectively, taking into account spe-
16 cific regional differences and perspectives; (4) establishing
17 priorities from the regional perspective for public and private
18 investment in areas affected by economic decline or disloca-
19 tion due to rapid growth; (5) fostering creation of regional
20 institutions to address shared problems and encouraging com-
21 monality of services on a regional basis where appropriate;
22 and (6) meeting the special problems created in a region as a
23 result of national policies or needs.

TITLE I

1

2 SEC. 101. This title may be cited as the "Appalachian
3 Regional Development Act Amendments of 1979".

4 SEC. 102. Section 2 of the Appalachian Regional De-
5 velopment Act of 1965 is amended as follows:

6 (1) The fifth sentence of subsection (a) of such
7 section is amended by inserting "including the provi-
8 sion of services to people in the region," after "special
9 problems,".

10 (2) The sixth sentence of subsection (a) is amend-
11 ed to read as follows: "The public investments made in
12 the region under this Act shall be concentrated in
13 areas where there is a significant potential for future
14 growth, including emerging small cities and urban cen-
15 ters and areas affected by energy development, where
16 the expected return on public dollars invested will be
17 the greatest, and in remote and hard-to-reach areas
18 where there are special problems in providing for
19 human service needs.".

20 SEC. 103. Subsection (b) of section 105 of the Appal-
21 chian Development Act of 1965 is amended to read as fol-
22 lows: "To carry out this section there are hereby authorized
23 to be appropriated to the Commission, *to be available until*
24 *expended*, for the *two-year* period ending ~~September 30,~~
25 ~~1983~~, *to be available until expended, such sums as may be*

1 ~~necessary.~~ September 30, 1981, not to exceed \$7,000,000
2 (of which not to exceed \$1,100,000 shall be available for ex-
3 penses of the Federal Cochairman, his alternate and his
4 staff) and for the two-year period ending September 30,
5 1983, \$8,500,000 (of which \$1,400,000 shall be available
6 for expenses of the Federal Cochairman, his alternate, and
7 his staff).

8 SEC. 104. Section 106 of the Appalachian Regional De-
9 velopment Act of 1965 is amended as follows:

10 (1) Paragraph (5) is amended by adding at the
11 end, "The Office of Personnel Management is further
12 authorized, under such terms and conditions as it shall
13 prescribe, to contract with the Commission *and with*
14 *any regional commission established or recognized*
15 *under the Regional Development Act of 1979* for cov-
16 erage as of the date of the Appalachian Regional De-
17 velopment Act Amendments of 1979 in such retire-
18 ment and other employee benefit programs of the Fed-
19 eral Government, of any employee of the Commission
20 not covered in such programs who gives written notice
21 to the Commission of his desire to come within the
22 purview of such coverage."

23 (2) Paragraph (7) is amended by striking out
24 "1979" and inserting in lieu thereof, "1983".

1 SEC. 105. Title 5, United States Code, is amended as
2 follows:

3 (1) The last sentence of section ~~5445(a)~~ 5334(a)
4 of title 5, is amended by striking out "was a Federal
5 employee immediately prior to such employment by a
6 commission and".

7 (2) Such title is amended by inserting after section
8 6312 a new section as follows:

9 **"§6313. Accrual and accumulation for former Appala-**
10 **chian Regional Commission and title 5**
11 **regional commission employees**

12 "Services rendered as an employee of the Appalachian
13 Regional Commission under section 106(2) of the Appala-
14 chian Regional Development Act of 1965, or of a regional
15 commission established pursuant to section 502 of the Public
16 Works and Economic Development Act of 1965, under sec-
17 tion 506(2) of such Act, *or pursuant to the Regional Develop-*
18 *ment Act of 1979* shall be included in determining years of
19 service for the purpose of section 6303(a) of this title in the
20 case of any employee as defined in section 6301 of this title.
21 The provision of section 6308 of this title for transfer of
22 annual and sick leave between leave systems shall apply to
23 the leave system established for such employees."

24 SEC. 106. (a) Section 201(g) of the Appalachian Re-
25 gional Development Act of 1965 is amended by striking

1 everything after "~~1979~~", and inserting in lieu thereof:
 2 "~~\$400,000,000 for fiscal year 1980; \$500,000,000 for fiscal~~
 3 ~~year 1981; \$550,000,000 for fiscal year 1982; \$550,000,000~~
 4 ~~for fiscal year 1983; \$550,000,000 for fiscal year 1984;~~
 5 ~~\$500,000,000 for fiscal year 1985; and \$470,000,000 for~~
 6 ~~fiscal year 1986.~~". "1980", and inserting in lieu thereof:
 7 "\$350,000,000 for fiscal year 1981; \$400,000,000 for fiscal
 8 year 1982; \$450,000,000 for fiscal year 1983;
 9 \$500,000,000 for fiscal year 1984; and \$500,000,000 for
 10 fiscal year 1985."

11 (b) The third sentence of section 201(a) of the Appala-
 12 chian Regional Development Act of 1965 is amended by
 13 striking "three thousand twenty-five" and inserting in lieu
 14 thereof "three thousand ~~one hundred~~ fifty-eight".

15 (c) Subsection (h) of section 201 of the Appalachian Re-
 16 gional Development Act of 1965 is amended by striking "70
 17 per centum" and inserting in lieu thereof "80 per centum"
 18 and by adding at the end the following: "Projects approved
 19 after March ~~30~~, 31, 1979, and on or before the date of enact-
 20 ment of the Regional Development Act of 1979 may be ad-
 21 justed to receive a Federal share not greater than 80 per
 22 centum."

23 SEC. 107. (a) Section 202 of the Appalachian Regional
 24 Development Act of 1965 is amended by adding the follow-
 25 ing new subsection:

1 “(f)(1) The Commission may make grants to the States;
2 including grants for reasonable administrative expenses, for
3 innovative projects and for demonstrations approved pursuant
4 to section 303, of methods and techniques for meeting human
5 services needs of individuals and families in the region which
6 the Commission determines cannot reasonably be
7 accomplished under other provisions of this title or other
8 Federal programs, and shall give special emphasis to demon-
9 strations serving people in the more remote and hard-to-
10 reach areas of the region and in areas impacted by energy
11 development.

12 “(2) States may carry out such demonstrations directly,
13 or through the employment of private individuals or firms
14 under contracts entered into for such purposes, or through
15 arrangements with public bodies and private nonprofit
16 organizations.

17 “(3) Demonstrations may be funded entirely from appro-
18 priations to carry out this Act or in combination with funds
19 available under other Federal grant-in-aid programs or from
20 any source. Notwithstanding any provision of law limiting
21 the Federal share in any such other program, funds appropri-
22 ated to carry out this subsection may be used to increase
23 such Federal share as the Commission determines appropri-
24 ate to a maximum of 80 per centum. No component of a
25 demonstration shall receive financial assistance under this

1 title after five years following the commencement of the as-
2 sistance for such component.”.

3 **(b)** *The seventh sentence of section 202(c) of the Appala-*
4 *chian Regional Development Act of 1965 is amended by*
5 *striking everything after “except” and through “child devel-*
6 *opment demonstrations” and inserting in lieu thereof “that*
7 *child development demonstrations assisted under this section*
8 *during fiscal year 1979 may, upon State request, be ap-*
9 *proved under section 303 of this Act for continued support*
10 *beyond that period”.*

11 **SEC. 108.** (a) Section 207(c)(2) of the Appalachian Re-
12 gional Development Act of 1965 is amended by—

13 (1) inserting “(including land acquisition)” after
14 “reasonable site development costs”;

15 (2) striking “10 per centum” each place it occurs
16 and inserting in lieu thereof “25 per centum”; and

17 (3) adding at the end thereof “The Secretary (or a
18 State acting under subsection (e) of this section) shall
19 assure that reductions in the cost of housing units due
20 to the acquisition of land pursuant to this section shall
21 accrue to the benefit of ultimate purchasers or tenants
22 of such housing units and not to the financial benefit of
23 any profitmaking entity.”.

1 (b) Section 207 of the Appalachian Regional Develop-
2 ment Act of 1965 is amended by adding the following new
3 subsections:

4 “(f) In furtherance of the purposes of this section, at the
5 request of the Commission *in accordance with section 303 of*
6 *this Act* the Secretary of Agriculture is authorized to use all
7 of the authority to acquire land under the provisions of sec-
8 tion 601(c) of the Powerplant and Industrial Fuel Use Act
9 (Public Law 95-260). Funds for such acquisition shall be
10 provided under this section or by the affected State.

11 “(g) The Commission is authorized and directed to un-
12 dertake a demonstration of appropriate incentives or pro-
13 grams to attract large scale housing developers to operate in
14 the central Appalachian region. In conducting such demon-
15 stration, the Commission, after consultation with potential
16 developers and to the extent practical, shall select at least
17 three sites or areas, and the Commission is authorized to use
18 the authority of this section or section 302 of this Act.”.

19 SEC. 109. Title II of the Appalachian Regional Develop-
20 opment Act of 1965 is amended by inserting after section
21 208 the following new section:

22 “BUSINESS, RAILROAD, AND ENERGY RESOURCE
23 ACTIVITIES

24 “SEC. 209. (a) In order to assist in stimulating agricul-
25 ture, mining, construction, manufacturing, commercial, and

1 other economic activities in the region, including the develop-
2 ment of indigenous arts and crafts, the Commission is author-
3 ized to make grants approved pursuant to section 303 to the
4 States, including grants for reasonable administrative ex-
5 penses, for—

6 “(1) Business related technical assistance, includ-
7 ing entrepreneurial development, management advice,
8 market analyses, and utilization or financial feasibility
9 studies.

10 “(2) Establishing revolving funds to be used for
11 business, agricultural and forestry enterprise develop-
12 ment loans, with special emphasis on loans furthering
13 development opportunities for entrepreneurs that are
14 identified through technical assistance activities under
15 this Act.

16 “(3) Making grants for—

17 “(A) Projects for the acquisition of rail prop-
18 erties by public bodies where critical to a State
19 investment program approved pursuant to section
20 303. No such grant for a project shall exceed 80
21 per centum of the cost thereof, and the non-Fed-
22 eral share may be in cash or in kind, fairly evalu-
23 ated, including but not limited to equipment and
24 services.

1 “(B) Projects for the rehabilitation, repair,
2 and modernization of rail properties (except roll-
3 ing stock) where critical to a State investment
4 program approved pursuant to section 303. No
5 such grant for a project shall exceed 50 per
6 centum of the cost thereof, and the non-Federal
7 share may be in cash or in kind, fairly evaluated,
8 including but not limited to equipment and
9 services.

10 “(4) Demonstration projects in connection with
11 the development, production, utilization, and conserva-
12 tion of the region's energy resources, including site de-
13 velopment where necessary for the feasibility of
14 projects.

15 “(5) *Assistance to communities in maintaining,*
16 *restoring, or augmenting commercial air passenger*
17 *service, but not including capital assistance or operat-*
18 *ing subsidies.*

19 “(b) States may carry out such activities directly, or
20 through the employment of private individuals or firms under
21 contracts entered into for such purposes, or through arrange-
22 ments with public bodies and private nonprofit organizations.

23 “(c) Assistance under this section may be funded
24 entirely from appropriations to carry out this Act or in com-
25 bination with funds available under other Federal grant-in-

1 aid programs or from any service. Notwithstanding any pro-
2 vision of law limiting the Federal share in any such other
3 program, funds appropriated to carry out this section may be
4 used to increase such Federal share as the Commission deter-
5 mines appropriate.”.

6 SEC. 110. The first sentence of subsection (c) of section
7 214 of the Appalachian Regional Development Act of 1965
8 is amended by striking “December 31, 1978” and inserting
9 in lieu thereof “October 1, 1983”.

10 SEC. 111. *The last sentence of section 302(b)(1) of the*
11 *Appalachian Regional Development Act of 1965 is amended*
12 *to read as follows: “No more than \$5,000,000 shall be obli-*
13 *gated for such energy resource related demonstrations in any*
14 *fiscal year under this section or section 209(c)(4), and no*
15 *more than \$2,500,000 shall be obligated for such indigenous*
16 *arts and crafts demonstrations.”.*

17 SEC. 112. *Section 302(b) of the Appalachian Regional*
18 *Development Act of 1965 is amended by adding the following*
19 *new paragraph:*

20 *“(5) The Commission shall investigate, seek op-*
21 *portunities for, and report on the use of technical as-*
22 *sistance and demonstration authority under this section*
23 *and assistance under section 207 to increase the use of*
24 *solar energy equipment in residences in the Appala-*
25 *chian region, to assist in the standardization of such*

1 *equipment, to encourage financing by regional credit*
2 *institutions and Federal programs of installations of*
3 *such equipment, and to facilitate inclusion of solar*
4 *energy equipment installation costs in residential mort-*
5 *gage financing. The Commission is authorized to con-*
6 *duct pilot projects to put in practice the findings of*
7 *such investigation.”*

8 *SEC. 113. Title II of the Appalachian Regional*
9 *Development Act of 1965 is amended to add a new sec-*
10 *tion 304 as follows:*

11 *“SEC. 304. The Commission shall provide for the*
12 *continuing evaluation of projects and programs author-*
13 *ized under this Act which shall include measures of*
14 *their effectiveness in achieving the goals and objectives*
15 *prepared pursuant to sections 102(a)(1) and 225 of*
16 *this Act. The Commission shall prepare an annual*
17 *evaluation program which (1) includes a statement of*
18 *specific actions that have been or will be taken as a*
19 *result of previous evaluations, and (2) lists those spe-*
20 *cific program evaluations to be performed during the*
21 *current and succeeding years, including the estimated*
22 *cost of conduct such evaluation.”*

23 ~~SEC. 114.~~ *114. Section 401 of the Appalachian Region-*
24 *al Development Act of 1965 is amended to read as follows:*

1 “SEC. 401. (1) In addition to the appropriations author-
2 ized in section 105 for administrative expenses, and in sec-
3 tion 201(g) for the Appalachian development highway system
4 and local access roads, there are authorized to be appropri-
5 ated to the President, to be available until expended, to carry
6 out this Act and the *Regional Development Act of 1979*,
7 \$340,000,000 for the two-fiscal-year period ending Septem-
8 ber 30, 1981, and \$380,000,000 for the two-fiscal-year
9 period ending September 30, 1983.

10 “(2) No more than 25 per centum of the funds available
11 for obligation in any fiscal year under this section shall be
12 obligated for direct grants by the Commission to carry out
13 the purposes of sections 202(f), ~~207(e)~~, and 209.”.

14 *SEC. 115. Section 403 of the Appalachian Regional*
15 *Development Act of 1965 is amended by adding the follow-*
16 *ing:*

17 *“The Commission is authorized and directed to study*
18 *whether, in view of the purposes set forth in section 2 of this*
19 *Act and in the Regional Development Act of 1979, any coun-*
20 *ties contiguous to the Appalachian region should be added to*
21 *the region or remain in regions established or recognized*
22 *under the Regional Development Act of 1979, and whether,*
23 *in view of such purposes, any such counties or blocks of*
24 *counties currently in the Appalachian region should be trans-*
25 *ferred to a region established or recognized under the Region-*

1 (c) It is the intention of the Congress that every region
2 consist of two or more States, except in the case of Alaska if
3 the Secretary determines that a multistate approach is not
4 practical, which is hereby recognized as the Alaska Develop-
5 ment Region.

6 (d) The boundaries of a region may be subsequently
7 altered in the same manner as they were established.

8 ESTABLISHMENT OF REGIONAL COMMISSIONS

9 SEC. 203. (a) Upon the recognition of a development
10 region, the States shall establish a regional development
11 commission for such region. *In the case of the Alaska Develop-*
12 *ment Region, at the request of the Governor of Alaska, the*
13 *Secretary shall take any action necessary to establish and*
14 *operate the Alaska Regional Development Commission not*
15 *later than October 1, 1979.* Any such commission shall be
16 established and shall operate in accordance with section 502
17 (b) through (e) of the Public Works and Economic Develop-
18 ment Act of 1965. Sections 505(b), 506, 507, and 508 of
19 such Act shall apply to each such commission.

20 (b) Each regional commission established pursuant to
21 the Appalachian Regional Development Act of 1965 or title
22 V of the Public Works and Economic Development Act of
23 1965 shall continue in operation under this Act unless bound-
24 aries or State membership of such commission are altered
25 pursuant to this Act.

1 SEC. 204. (a) In carrying out the purpose of this Act,
2 each regional commission shall, with respect to its region:

3 (1) in accordance with title III of this Act, de-
4 velop and implement a regional growth policy process
5 which shall include the preparation of (i) a multiyear
6 regional development plan with policies and priorities
7 for action programs to guide Federal, regional, State,
8 private, and substate investments, and (ii) annual re-
9 gional investment strategies which include specific poli-
10 cies and investment proposals affecting Federal, re-
11 gional, State, and substate participation in support of
12 regional growth policies and priorities;

13 (2) develop and implement mechanisms for coordi-
14 nating the development and growth management activ-
15 ities of State governments and substate entities with
16 regional policy development, including, but not limited
17 to, economic development, coastal zone management,
18 comprehensive planning, environmental protection,
19 energy conservation and development, transportation,
20 *cultural resource development*, outdoor recreation plan-
21 ning, and implementation programs;

22 (3) conduct, in cooperation with relevant Federal
23 and State agencies and private resources, research on
24 and analysis of interstate and shared problems, re-

1 sources, and opportunities for advancing regional
2 development;

3 (4) provide consultation to and continuing liaison
4 with Federal Regional Councils and those Federal
5 agency members whose planning and development ac-
6 tivities bear on regional priorities, policies, and plans
7 regarding the regional interest in such activities;

8 (5) advise Federal agencies that fund multistate
9 organizations not covered by this legislation on the
10 relevance of such funding to regional commission plans,
11 priorities, policies, and programs and on the steps re-
12 quired to avoid duplication of activities;

13 (6) provide a working liaison (A) with private
14 sector leadership, especially those which operate at the
15 multistate level; (B) with other multistate organizations
16 including other regional commissions; and (C) with sub-
17 state entities engaged in functional or comprehensive
18 planning which bears on the fulfillment of regional
19 plans, priorities, and policies;

20 (7) engage in cooperative activities with other
21 regional commissions established under this Act, with
22 other regional organizations, with local governments,
23 and with Federal agencies.

24 (b)(1) As the Presidentially appointed Federal partner to
25 the Governors, each Federal Cochairman has the dual re-

1 sponsibility of presenting the national perspective to the re-
2 gional commission and of communicating the regional con-
3 cerns of the State members to the Federal Government.
4 Each Federal Cochairman is responsible for coordination and
5 cooperation between the Commission and Federal depart-
6 ments and agencies. As a member of a commission, each
7 Federal Cochairman has the responsibility for fostering the
8 development of a collaborative institutional setting in which
9 both State and Federal members jointly determine regional
10 development policy.

11 (2) Each Federal Cochairman shall—

12 (A) *present to the Congress, the committee estab-*
13 *lished under section 302 of this Act, other affected par-*
14 *ties, and except in the case of the Appalachian Region-*
15 *al Commission, the Secretary, on behalf of the Com-*
16 *mission, the regional development plan, annual invest-*
17 *ment strategy, growth policy recommendations, legisla-*
18 *tive recommendations, and reports on the activities of*
19 *the Commission;*

20 (B) encourage Federal departments and agencies
21 to apply their programs and policies to support devel-
22 opment plans, programs and priorities established by
23 the commission;

24 (C) involve Federal departments and agencies in
25 the activities of the Commission, as appropriate;

1 (D) assist the Commission in its participation in
2 the regional growth policy process;

3 (E) to the extent practicable, consult with appro-
4 priate Federal departments and agencies concerning
5 significant programs and projects to be considered by
6 the Commission prior to voting on such matters;

7 (F) represent, in dealings with the Commission,
8 Federal policies affecting regional development estab-
9 lished by the President and, except in the case of the
10 Appalachian Regional Commission, the Secretary;

11 *(G) assure that the Commission gives adequate*
12 *attention to problems and solutions which are shared*
13 *by two or more States in the region and preference to*
14 *projects or programs for which effort by two or more*
15 *States is useful in addressing needs effectively;*

16 ~~(G)~~ (H) take a leadership role in the preparation
17 of the Commission budget for submission *through the*
18 *Secretary (except in the case of the Appalachian Re-*
19 *gional Commission) and such persons as the Secretary*
20 *may designate to the Office of Management and*
21 *Budget and the Congress; and*

22 ~~(H)~~ (I) assure commission compliance with appli-
23 cable Federal fiscal and management requirements es-
24 tablished or identified under section 208 of this Act or,
25 in the case of the Appalachian Regional Commission,

1 established or identified by the Federal Cochairman *or*
2 *such Commission.*

3 Nothing in this Act shall preclude the Federal Cochairman
4 from presenting the Commission's budget to the Office of
5 Management and Budget or from communicating with appro-
6 priate committees of the Congress.

7 (3) When a Federal Cochairman dies, resigns, becomes
8 disabled, is removed, or is absent from the country, a desig-
9 nated assistant or the executive director of the Commission
10 shall perform the routine administrative duties of the Federal
11 Cochairman not involving the exercise of the vote of the Fed-
12 eral Cochairman, until a successor is confirmed or the
13 absence or disability stops.

14 (c)(1) Each Commission shall employ an executive di-
15 rector as the chief administrative officer of the Commission
16 and such other officers and staff as the Commission may de-
17 termine. The executive director shall be responsible for car-
18 rying out the administrative functions of the Commission, for
19 direction of the Commission staff and for such other duties as
20 the Commission may assign. The executive director shall be
21 appointed and may be removed by vote of the Commission.
22 All other officers and employees of the Commission shall be
23 appointed by the executive director under such rules of pro-
24 cedure as the Commission may determine.

1 (2) All appointments and promotions of officers and em-
2 ployees of the Commission shall be on the basis of merit and
3 fitness and no test or qualification with respect to politics,
4 race, color, sex, age, physical handicap, or religion shall be
5 permitted or given consideration. Any officer or employee of
6 the Commission who is found by the Commission to be guilty
7 of a violation of this ~~section~~ *paragraph* shall be removed from
8 office by the Commission.

9 (d) *In addition to the duties set forth in subsection (a) of*
10 *this section, the Alaska Regional Development Commission*
11 *may—*

12 (1) *review resources inventories of Federal agen-*
13 *cies;*

14 (2) *review and make recommendations to the*
15 *President, the Congress, and the Alaska State Legisla-*
16 *ture on Federal, State, and local land use plans and*
17 *proposed activities; and*

18 (3) *assist Alaska Native Regional Corporations*
19 *established pursuant to the Alaska Native Claims Set-*
20 *tlement Act (Public Law 92-203) in preparing land*
21 *use plans.*

22 SEC. 205. (a) An application for a grant or for any other
23 assistance for a specific project under section 207 of this Act
24 shall be made through the State member of the Commission
25 representing such applicant, and such State member shall

1 evaluate the application for approval. No application for
2 grants or other assistance for specific programs or projects
3 under any provisions of this Act shall be approved unless it is
4 certified by the State member and determined by the
5 Commission, including the affirmative vote of the Federal
6 Cochairman—

7 (1) to implement the Commission's regional devel-
8 opment plan;

9 (2) to be described in the Commission's annual
10 investment strategy;

11 (3) to be backed by adequate assurance and evi-
12 dence that the project will be properly administered,
13 operated, and maintained; and

14 (4) to otherwise meet the requirements for assist-
15 ance under this Act.

16 (b) Nothing contained in this Act shall be interpreted as
17 requiring any State or political subdivision thereof to engage
18 in or accept any project under this Act without its consent.

19 SEC. 206. (a) In addition to other activities authorized
20 by this Act, the Secretary is authorized to provide to com-
21 missions technical assistance and incentive grants to aid the
22 commissions in carrying out their responsibilities under this
23 Act and to undertake new program and policy objectives. In
24 general, such assistance may be provided ~~directly~~ through
25 members of the Secretary's staff or through incentive grants

1 to the commissions; ~~or, indirectly,~~ through the payment of
2 funds authorized for this section to other departments or
3 agencies of the Federal Government; through the employ-
4 ment of private individuals, partnerships, firms, corporations,
5 or suitable institutions, under contracts entered into for such
6 purposes; or through grants to institutions of higher educa-
7 tion or nonprofit organizations. Technical assistance may in-
8 clude studies and plans evaluating the needs of, and develop-
9 ing potentialities for, regional development; administrative
10 management; interregional cooperation; research on improv-
11 ing the conservation and utilization of the human, *cultural*,
12 and natural resources of the region; planning, investigations
13 and studies; economic and demographic information and anal-
14 ysis; and ~~innovative projects, demonstrations, and~~ training
15 programs which will further the purposes of this Act. Special
16 provision shall be made to assure that newly formed commis-
17 sions are able to function fully and effectively as soon as
18 practicable.

19 (b)(1) In carrying out its functions under this Act, each
20 commission is authorized to engage in planning, investiga-
21 tions, and studies, and to provide other technical assistance
22 to States, substate areas and communities, both urban and
23 rural, including the payment of administrative expenses to
24 substate planning and development organizations (including
25 economic development districts created under the Public

1 Works and Economic Development Act), which will further
2 the purpose of this Act, and which have been included in the
3 approved annual investment strategy. Such activities may be
4 carried out by the Commission through the payment of funds
5 to departments, agencies, or instrumentalities of the Federal
6 Government, or through the employment of private individ-
7 uals, partnerships, firms, nonprofit corporations, or suitable
8 institutions under contracts or grants entered into for such
9 purposes or through grants-in-aid to agencies of State or
10 local governments. ~~Special provision should be made for the~~
11 ~~development and growth management requirements of small~~
12 ~~towns, counties, and substate districts.~~

13 (2) *In carrying out this subsection each commission is*
14 *authorized to provide assistance to communities in maintain-*
15 *ing, restoring, or augmenting commercial air passenger serv-*
16 *ice, but not including capital assistance or operating subsi-*
17 *dies.*

18 (3) *Each commission shall investigate, seek opportuni-*
19 *ties for, and report on the use of technical assistance and*
20 *demonstration authority under this subsection and section*
21 *207 to increase the use of solar energy equipment in resi-*
22 *dences in its region, to assist in the standardization of such*
23 *equipment, to encourage financing by regional credit institu-*
24 *tions and Federal programs of installations of such equip-*
25 *ment, and to facilitate inclusion of solar energy equipment*

1 *installations costs in residential mortgage financing. The*
2 *commission is authorized to conduct pilot projects to put in*
3 *practice the findings of such investigation.*

4 (c) The Secretary is authorized to make incentive grants
5 to commissions for the following purposes:

6 (1) Encourage and enable States to develop and
7 improve mechanisms for coordinating State develop-
8 ment programs and planning within each State and
9 with commission development programs and planning,
10 with substate development activities and with State
11 budget processes. Such grants are to enable Governors
12 to develop among State agencies and levels of govern-
13 ment a unified set of development objectives for pro-
14 grams such as economic development, comprehensive
15 planning, outdoor recreation, *cultural resource develop-*
16 *ment*, coastal zone management, transportation, and
17 environmental protection.

18 (2) Encourage and enable commissions to develop
19 procedures, including public hearings, consultations,
20 and surveys program review, to enable Governors *and*
21 *State legislatures* to participate in regional growth
22 policy processes for the purpose of shaping Federal and
23 State programs and policies necessary for the success-
24 ful implementation of regional plans.

1 (3) Encourage commission and cooperative State
2 actions augmenting national energy, export, urban, and
3 rural community conservation, and similar policies
4 whose effectiveness would be strengthened by commis-
5 sion and State participation.

6 (4) Encourage other special activities needed to
7 strengthen the overall program including fostering in-
8 terregional cooperation; creating regionally based sys-
9 tems for demographic and economic analysis; expand-
10 ing activities of a multistate character; and increasing
11 State Government financial and other support for com-
12 mission plans.

13 SEC. 207. (a) In addition to any authority under the
14 Appalachian Regional Development Act of 1965 or title V of
15 the Public Works and Economic Development Act of 1965,
16 each regional commission is authorized to provide financial
17 assistance for projects which will further regional develop-
18 ment, ~~as defined in this Act.~~ *the purpose of this Act as ex-*
19 *pressed in section 2(d) (1) and (2).* Such projects may in-
20 clude, but are not limited to, transportation, energy develop-
21 ment and conservation, environmental and natural resource
22 management activities, fisheries, agriculture, tourism, forest-
23 ry, export promotion, business or industrial development,
24 productivity improvements, community conservation and
25 growth management, human resources, vocational, educa-

1 tional and training programs, ~~promotion of~~ *development of*
2 *indigenous* arts and culture, and flood or other natural hazard
3 protection activities. (b) To the maximum extent practicable,
4 each commission shall provide assistance under this section
5 by transferring funds ~~for~~ programs or projects approved by
6 the commission to the heads of Federal departments or agen-
7 cies to be used for—

8 (1) all or any portion of the basic Federal contri-
9 bution to programs or projects under any Federal
10 grant-in-aid program authorized on or before Septem-
11 ber 30, 1983, and for the purpose of increasing the
12 Federal contribution to programs or projects under
13 such programs above the fixed maximum portion of the
14 costs of such programs or projects otherwise authorized
15 by the applicable law; and

16 (2) the Commission contribution to programs or
17 projects and for grants management and technical
18 assistance provided by the department or agency for
19 projects at the request of the Commission.

20 Notwithstanding any other law, the heads of Federal
21 departments and agencies are hereby authorized to accept
22 such funds, to disburse them in accordance with policies
23 adopted by the Commission, and to provide any assistance
24 which may be necessary to carry out the approved program
25 or project. The Federal portion, including the commission

1 portion, of the costs of each program or project assisted shall
2 not exceed 80 per centum of such costs.

3 ~~(e)(1)~~ (b)(1) Each commission may make direct grants
4 to the States or to qualified multistate organizations ~~or re-~~
5 ~~gional organizations established by commissions~~ for innova-
6 tive projects and for demonstrations of unique methods and
7 techniques for meeting the purposes of subsection (a) of this
8 section which the Commission determines cannot reasonably
9 be accomplished under subsection ~~(b)~~ (a) of this section ~~or~~
10 *any other Federal program* and are in accordance with the
11 regional development plan.

12 (2) States may carry out such projects and demonstra-
13 tions directly, or through the employment of private individ-
14 uals or firms under contracts entered into for such purposes,
15 or through grants with public bodies and private nonprofit
16 organizations.

17 (3) Such projects and demonstrations may be funded en-
18 tirely from appropriations to carry out this Act which are
19 apportioned to the commissions by the Secretary or in combi-
20 nation with funds available under other Federal grant-in-aid
21 programs or from any source. Notwithstanding any provision
22 of law limiting the Federal share in any such other program,
23 funds provided to carry out this subsection may be used to
24 increase such Federal share as the Commission determines
25 appropriate. No component of any such project or demonstra-

1 tion shall receive financial assistance under this Act, the Ap-
2 palachian Regional Development Act of 1965 or title V of
3 the Public Works and Economic Development Act of 1965
4 after five years following the commencement of any assist-
5 ance for such component under one of the above Acts.

6 (4) Except as provided in subsection ~~(d)~~ (c), grants for
7 innovative projects and demonstration under *this* subsection
8 ~~(e)~~ may be made for up to ~~100~~ 80 per centum of the costs of
9 any project.

10 (5) No grant shall be provided for an innovative pro-
11 gram or demonstration project unless the ~~Federal Cochair-~~
12 ~~man~~ *Commission as a matter of policy* determines in what
13 respect the project is innovative and what it is intended to
14 demonstrate and certifies that there is a reasonable plan to
15 evaluate the results of the innovation or demonstration by an
16 independent source and to disseminate the results.

17 (6) *No more than 20 per centum of the funds available*
18 *to any commission under this title shall be used for the pur-*
19 *poses of this subsection or subsection (c) of this section,*
20 *unless such commission determines that a greater percentage*
21 *of such funds must be put to such use to implement a major*
22 *objective of the regional development plan addressing a need*
23 *shared by two or more States in the region.*

24 ~~(d)~~ (c) Each commission is authorized to make grants
25 for the operation of any project, including initial operating

1 funds which comprise, among other things, the cost of re-
2 cruiting and training qualified personnel, *for which the Com-*
3 *mission determines that funds for operation are not available*
4 *under any other Federal, State, or local program.* A grant for
5 the operation of any project shall be made only if the project
6 or facility is not operated for profit. Such grants may be
7 made for up to 100 per centum of the costs thereof for the
8 two-year period which begins, for each component facility or
9 service assisted under any such operating grant, on the first
10 day that such facility or service enters into operation as a
11 part of a project. For the next three years of operation, such
12 grants shall not exceed 75 per centum of such costs. No
13 grants for operation of any project shall be made after five
14 years following the commencement of such initial grant for
15 operation of the project. No such grants shall be made unless
16 the Commission is satisfied that the operation of the project
17 will be conducted under efficient management practices de-
18 signed to avoid operating deficits. The Federal contribution
19 may be provided entirely from funds authorized under this
20 section, or in combination with funds provided under other
21 Federal programs.

22 (e) (d) Financial assistance under this section shall not
23 be taken into account in the computation of the allotments
24 among the States made pursuant to any other provision of
25 law. Funds appropriated to carry out this Act shall be avail-

1 able without regard to any limitations on authorization for
2 appropriation in any other Act.

3 (†) (e) No financial assistance shall be provided under
4 this Act to assist private establishments relocating from one
5 area to another or to enable private contractors or subcon-
6 tractors to undertake work theretofore performed in another
7 area by other contractors or subcontractors. Section 704(e) of
8 the Public Works and Economic Development Act shall
9 apply to all financial assistance under this Act.

10 (‡) (f) The authorities and requirements of this section
11 and section 206 of this Act shall supersede and replace the
12 authority of ~~section~~ sections 505(a), 509, 515, 516, and 517
13 of the Public Works and Economic Development Act of
14 1965.

15 (g) *No commission shall provide financial assistance*
16 *under this section for the purposes of allowing a recipient to*
17 *use grant funds to make grants to profit-seeking business en-*
18 *terprises.*

19 (h) *No State and nc political subdivision of such State*
20 *shall be eligible to receive benefits under this Act unless the*
21 *aggregate expenditures of State funds exclusive of local funds*
22 *(other than those originated as revenues collected by the*
23 *State) and Federal funds, and, in the case of the Appala-*
24 *chian Regional Commission, exclusive of expenditures for*
25 *participation in the National System of Interstate and De-*

1 *sense Highways, for the benefit of the area within the State*
2 *located in the region are maintained at a level which does not*
3 *fall below the average level of such expenditures for its last*
4 *two full fiscal years preceding the date of enactment of this*
5 *Act. A commission may recommend a lesser requirement*
6 *when it finds that a substantial population decrease in that*
7 *portion of a State which lies within the region would not*
8 *justify a State expenditure equal to the average level of the*
9 *last two years or when it finds that a State's average level of*
10 *expenditure, within an individual program, has been dispro-*
11 *portionate to the present need for that portion of the State*
12 *which lies within the region. Funds may be provided for pro-*
13 *grams and projects in a State under this Act only if the*
14 *commission determines that the level of Federal and State*
15 *financial assistance under this Act, and under Acts other*
16 *than this Act, for the same type of programs or projects in*
17 *that portion of the State within the region will not be dimin-*
18 *ished in order to substitute funds authorized by this Act.*

19 (i) *Each commission in providing assistance under this*
20 *section shall afford first attention to areas affected by eco-*
21 *nomie decline, and in addition shall address basic service*
22 *needs in areas experiencing dislocation due to rapid growth,*
23 *as appropriate.*

1 intercommission relationships, and provide supplemental
2 technical and support services as necessary for the Federal
3 Cochairmen. In addition such Office shall, subject to the pro-
4 visions of this Act, assist States in initiating Regional Com-
5 missions or proposed boundary modifications; and assist the
6 Federal Cochairmen in investigating the effects of the Feder-
7 al Government's procurement, scientific, technical, and other
8 related policies upon regional and area development.

9 (c) The Office, with the policy guidance of the Secretary
10 and the Council; Secretary shall identify the basic areas in
11 which minimum standards of fiscal responsibility and man-
12 agement, *including uniform cost principles*, must be adopted
13 to assure that commission activities are consistent with the
14 provisions of this Act. The Office Secretary shall specify such
15 minimum standards *in regulations* and require each regional
16 commission to adopt them as part of their internal regula-
17 tions. In addition, the Office shall adopt, with policy guidance
18 of the Secretary and Secretary shall adopt, after consultation
19 with the Council, procedures and regulations governing—

20 (1) the recognition of regions and changes in
21 boundaries;

22 (2) records to be kept by commissions and recipi-
23 ents of commission funds;

24 (3) administrative policies and procedures devel-
25 oped by the commissions;

1 (4) the establishment and operation of a manage-
2 ment information system covering activities authorized
3 under this Act.

4 (5) *conditions under which the Secretary may*
5 *withhold funds from a commission for violation of this*
6 *Act or any regulations adopted under this Act.*

7 (d)(1) *Each commission shall develop and adopt admin-*
8 *istrative policies and procedures to prevent the overobligation*
9 *of commission funds. Each commission, in accordance with*
10 *this section, shall develop and adopt specific policies and pro-*
11 *cedures to promote economy and efficiency in the administra-*
12 *tion of its programs and operations and to prevent and detect*
13 *fraud and abuse in such programs and operations.*

14 (2) *Each commission shall adopt specific policies and*
15 *procedures to assure that any program or project which re-*
16 *ceives assistance is properly and efficiently administered, op-*
17 *erated, and maintained.*

18 (e) *This section other than subsection (d) shall not*
19 *apply in the case of the Appalachian Regional Commission.*
20 *Such Commission shall consider adopting the minimum*
21 *standards of fiscal responsibility and management and the*
22 *procedures established under subsection (c) of this section.*

23 (f) *The Secretary shall evaluate on an annual basis the*
24 *performance of the regional commissions, other than the Ap-*
25 *palachian Regional Commission, in adhering to procedures*

1 *and regulations established under this section and in imple-*
2 *menting the provisions of this Act.*

3

BONDING, INSURANCE, LIABILITY

4 SEC. 209. (a) The executive director of a commission
5 and such other employees as the Commission requires shall
6 be bonded in such form and amounts as the Commission may
7 require. The Commission may pay the premium for the
8 bonds.

9 (b) The Commission shall purchase insurance and pay
10 the premiums therefor against loss or damage to any of its
11 personal property and against liability for injury to persons of
12 property. Such insurance coverage shall be in such form and
13 amount as the Commission may determine, ~~subject to the~~
14 ~~conditions of any grant from the Secretary.~~

15 (c) The Commission shall be responsible for claims aris-
16 ing out of negligent acts or omissions of its officers, agents,
17 and employees only to the extent prescribed by law generally
18 with respect to officers, agents, and employees of the Gov-
19 ernment of the United States.

20

RECORDS AND AUDIT

21 SEC. 210. (a) Each Commission shall keep such records
22 which will fully disclose the amount and disposition of the
23 funds provided to the Commission, and such other records
24 which will facilitate an effective audit. The records, books,
25 and accounts shall be available for audit by any member of

1 the Commission, *the Secretary (except in the case of the Ap-*
2 *palachian Regional Commission)*, and the Comptroller Gen-
3 eral of the United States or their duly authorized representa-
4 tives.

5 (b) All recipients of assistance from a commission and all
6 contractors of a commission shall keep such records which
7 will fully disclose the amount and the disposition by each
8 recipient of the proceeds of such assistance, the total cost of
9 the project or activity for which such assistance is given or
10 used, and the amount or activity supplied by other sources,
11 and such other records which will facilitate an effective audit.
12 The Secretary *(except in the case of the Appalachian Region-*
13 *al Commission)*, the Commission, the Comptroller General of
14 the United States or any of their duly authorized representa-
15 tives shall have access for the examination and audit of any
16 books, documents, and records of any and all recipients that
17 are pertinent to assistance received under this title. Any re-
18 cipient or contractor who fails to abide by this requirement or
19 who refuses to readily make his books available for inspection
20 and audit by those authorized to audit such records shall not
21 be eligible for further funding under this title.

22 **NONDISCRIMINATION**

23 *SEC. 211. No person in the United States shall, on the*
24 *grounds of race, color, national origin, sex, or physical*
25 *handicap, be excluded from participation in, be denied the*

1 *benefits of, or be subjected to discrimination under any pro-*
2 *gram or activity receiving financial assistance from a region-*
3 *al development commission.*

4 SEC. 211-212. (a) There are authorized to be appropri-
5 ated to the Secretary to carry out this Act other than title I,
6 to be available until expended, for each of the fiscal years
7 1980, 1981, 1982, and 1983, not to exceed \$250,000,000.

8 (b) After deducting such amounts as are required for the
9 administrative expenses of commissions other than the Appa-
10 lachian Regional Commission, the Secretary shall distribute
11 the remainder of the sums appropriated under this authoriza-
12 tion for any fiscal year as follows:

13 (1) beginning in fiscal year 1981 any funds in
14 excess of the sums appropriated for fiscal year 1980,
15 but not to exceed 20 per centum of the total sum ap-
16 propriated each year, ~~to~~ may be set aside for the pur-
17 poses authorized under section 206 (a) and (c) of this
18 Act;

19 (2) the balance of the sums appropriated to be
20 provided to the eligible commissions (other than the
21 Appalachian Regional Commission) to carry out the
22 activities authorized under sections 206(b), 207, and
23 303 of the Act, according to a formula to be developed
24 by the Secretary after consultation with the commis-
25 sions and the Senate Committee on Environment and

1 Public Works and the House Committee on Public
2 Works and Transportation.

3 *(c) Funds appropriated under this section shall be*
4 *provided by the Secretary to each of the Federal Co-*
5 *chairmen for the benefit of the appropriate regional*
6 *commission, in accordance with the distribution estab-*
7 *lished under subsection (b) of this section. Obligation*
8 *of such funds shall be approved by each commission in*
9 *accordance with section 205 of this Act. Each Federal*
10 *Cochairman is authorized to receive and hold such*
11 *funds, subject to the preceding sentence, on behalf of*
12 *such Commission.*

13 TITLE III

14 SEC. 301. This title may be cited as the "Regional
15 Growth Policy Process Act".

16 SEC. 302. (a) The President shall establish an inter-
17 agency committee, or use an existing committee, composed of
18 a senior White House official (who shall chair such commit-
19 tee), *the Chairman of the Regional Development Council,*
20 and senior officials of the departments and agencies con-
21 cerned with regional development activities, to provide
22 means for program coordination and support for the regional
23 commissions and the Federal Government in determining
24 policies and recommendations which will further the purposes
25 of this Act.

1 (b) The President shall assure the provision of effective
2 liaison between the Federal Government and the regional
3 commissions and access to Federal funding and technical
4 assistance for regional development activities.

5 (c) The recommendations contained in each commis-
6 sion's regional development plan and regional growth policy
7 recommendations shall be brought to the attention of the
8 heads of the Federal departments and agencies by the com-
9 mittee established under subsection (a) and its Chairman,
10 acting together with the Federal Cochairman, and a schedule
11 shall be established by the Chairman for review and response
12 by the agencies and departments affected. The Chairman
13 shall assure that discussions necessary to the resolution of
14 any issues occur between representatives of the commissions
15 and those of the affected Federal departments and agencies.
16 The Chairman shall also attempt to identify and encourage
17 solutions to regional issues which involve the participation of
18 two or more departments or agencies. The Chairman, in
19 transmitting such plans and policy recommendations to the
20 Federal departments and agencies, shall assure that, to the
21 extent practicable, adjustments in policies and procedures
22 necessary to the successful implementation of each commis-
23 sion plan will be made.

1 (d) To the extent practicable, the Federal Cochairman
2 of a regional commission shall be appointed as chairperson of
3 the appropriate Federal Regional Council.

4 (e) Each Federal department or agency shall, consonant
5 with law, cooperate with such commissions in assisting them
6 in carrying out their activities under this Act and, to the
7 maximum extent practicable, adjust its procedures and poli-
8 cies in order to assure—

9 (1) its participation in developing and implement-
10 ing each Commission's regional development plan; and

11 (2) coordination among development programs and
12 planning activities within States and between State
13 and regional development programs and planning
14 activities.

15 (f) Federal departments, agencies, and instrumentalities
16 undertaking or providing financial assistance for programs
17 shall take steps to assure that, to the maximum extent practi-
18 cable, such programs are not inconsistent with the goals, ob-
19 jectives, plans, and strategies established by the commissions
20 pursuant to this Act.

21 (g) Each Federal department and agency shall consult
22 with the appropriate commission or commissions in advance
23 of providing financial assistance to any multistate organiza-
24 tion engaged in activities related to the purposes of this title.

1 SEC. 303. (a) Each Commission shall set requirements
2 for State members to prepare and submit for Commission ap-
3 proval a development plan for their States in the region.
4 Such plan shall be revised annually. Each State development
5 plan shall reflect the goals, objectives, and priorities estab-
6 lished in any regional development plan, shall be built upon
7 an assessment of State problems and opportunities that in-
8 volves the participation of *State legislatures*, local govern-
9 ments, the private sector, and substate planning and develop-
10 ment organizations, and shall—

11 (1) describe the State organization and continuous
12 process for comprehensive development planning, in-
13 cluding the procedures established by the State for the
14 participation of development districts in such process;
15 the means by which such process is related to State
16 budget processes; and the method of coordinating de-
17 velopment planning, policies, and programs in the
18 State under this Act and other Federal and State
19 programs;

20 (2) set forth the development goals, objectives,
21 and priorities of the State and identify the needs and
22 opportunities on which such goals, objectives, and pri-
23 orities are based;

24 (3) describe the development program for achiev-
25 ing such goals, objectives, and priorities, including

1 funding sources and recommendations for an imple-
2 menting investment program, including specific projects
3 to receive assistance under this Act, in sufficient detail
4 to explain their contribution to the goals, objectives,
5 and priorities;

6 (4) describe the mechanisms established to assure
7 appropriate opportunity for participation of the private
8 sector in development planning and programing and to
9 coordinate activities between public and private
10 institutions;

11 (5) set forth a system for *periodically* evaluating
12 *in quantitative and qualitative terms, as appropriate,*
13 the effectiveness of plans, programs, and projects af-
14 fecting the attainment of the goals, objectives, and pri-
15 orities of the regional and State plans and programs;
16 ~~including, to the extent feasible, quantified measures of~~
17 ~~impact.~~

18 (b)(1) Substate planning and development districts certi-
19 fied by the State under subsection (c) of this section provide
20 the linkage between State and substate planning and devel-
21 opment. In carrying out the development planning process,
22 including the selection of programs and projects for assist-
23 ance, States shall consult with local planning and develop-
24 ment districts, local units of government, citizens, and
25 private sector organizations, and take into consideration the

1 goals, objectives, priorities, and recommendations of such
2 bodies. The districts shall assist the States in the coordina-
3 tion of substate activities.

4 (2) Each Commission shall develop a plan for and as
5 soon as practicable require the preparation and execution of
6 areawide action programs which specify interrelated projects
7 and schedules of actions together with the necessary agency
8 fundings and other commitments to implement such pro-
9 grams. Such programs shall make appropriate use of existing
10 plans affecting the area. To the extent permitted under this
11 Act, State and substate planning processes shall be designed
12 to coordinate and utilize to the maximum extent possible ex-
13 isting substate institutions and Federal, State, and local pro-
14 grams and projects in the affected areas and shall consider
15 anticipated private as well as public investments.

16 (c) No entity shall be certified as a development district
17 for the purposes of this Act, unless the Governor finds that—

18 (1) it is one of the following:

19 (A) a nonprofit public body organized or
20 chartered under the law of the State in which it is
21 located;

22 (B) an agency or instrumentality of a State
23 or local government;

24 (C) an agency or instrumentality created
25 through an interstate compact; or

1 (D) a combination of such bodies, agencies,
2 and instrumentalities;

3 (2) the proposed district is geographically and
4 politically structured to carry out a comprehensive
5 planning and development program;

6 (3) the district and its governing body have re-
7 sponsibility for all or most of the relevant development
8 planning activities being undertaken in its area;

9 (4) it is part of a single statewide system of devel-
10 opment districts;

11 (5) the governing body of the district is composed
12 of at least a majority of local elected officials of gen-
13 eral purpose local governments from the affected area.

14 *Wherever possible, areawide clearinghouses designated by*
15 *either the Office of Management and Budget or the Governor*
16 *pursuant to section 204 of the Demonstration Cities and*
17 *Metropolitan Development Act of 1966 as amended or title*
18 *IV of the Intergovernmental Cooperation Act of 1968, as*
19 *amended, shall be certified as substate planning and develop-*
20 *ment districts pursuant to this section.*

21 SEC. 304. (a) Within eighteen months after its establish-
22 ment or after enactment of this Act, whichever is later, each
23 regional development commission shall prepare in consulta-
24 tion with Federal, State, interstate, private, and substate de-
25 velopment organizations and local governments, a multiyear

1 development plan for its region. The plan shall reflect and
2 accommodate the goals, objectives, and priorities established
3 in the State development plans accepted by the commission.
4 The plan shall be built upon an assessment of regional prob-
5 lems and opportunities that involves the participation of State
6 and local governments and the private sector in the regional
7 development process and shall give due consideration to the
8 planning and proposed activities of other Federal, State,
9 interstate, substate, and local organizations and governments
10 which may significantly affect the region. The plan shall
11 include the following elements:

12 (1) a review of—

13 (i) prior regional studies of and plans for the
14 region,

15 (ii) the current regional economy and the
16 projected economy based on the best available
17 data,

18 (iii) relevant plans of other public planning
19 bodies and major private sector interests in the
20 region,

21 (iv) multistate and shared problems requiring
22 regional attention,

23 (v) the adequacy of existing Federal, State,
24 and local programs and policies to meet the com-
25 mission's goals and strategies;

1 (2) a framework for the continuing analysis of
2 data needed to conduct effective regional development
3 activities and to make decisions on programs and proj-
4 ect selection;

5 (3) a determination of necessary and feasible
6 regional goals, objectives, and priorities for regional
7 development;

8 (4) a development program to achieve the com-
9 mission's goals and objectives;

10 (5) strategies to implement the plan and recom-
11 mended levels of Federal, State, and local funding for
12 implementing Commission programs to attain the
13 goals, objectives, and priorities; and

14 (6) criteria for the identification and selection of
15 projects which are consistent with the goals of the
16 Commission.

17 (b) Each Commission shall prepare an annual invest-
18 ment strategy on a Federal fiscal year basis to implement its
19 regional plan. This strategy ~~should~~ *shall* include (i) identifica-
20 tion of specific Federal, interstate, State, and substate pro-
21 grams and projects which will assist the commission in re-
22 gional development activities; (ii) proposed funding of activi-
23 ties under this Act or the Appalachian Regional Develop-
24 ment Act of 1965; and (iii) proposed policies which may be
25 adopted by Federal departments and agencies and State and

1 local governments in order to reflect in the administration of
2 their programs and regulations, insofar as applicable statutes
3 permit, perspectives, conditions, and approaches particular to
4 each region and necessary to the successful implementation
5 of the regional plans. Such strategy shall be transmitted to
6 the committee established under section 302 and, except in
7 the case of the Appalachian Regional Commission, the Secre-
8 tary, prior to the start of the new fiscal year, *and* shall be
9 used as the basis of consultation with the heads of Federal
10 departments and agencies through the interagency mecha-
11 nism described in such section.

12 (c)(1) Prior to a commission vote to approve a regional
13 development plan or annual investment strategy under this
14 section, the Federal Cochairman shall have a maximum of
15 seventy-five days in which to review the plan or strategy and
16 seek review by the Secretary in accordance with paragraph
17 (2) of this subsection. The Federal Cochairman shall vote on
18 the plan or strategy only after consultation with appropriate
19 Federal departments and agencies, in order to assure that—

20 (A) the plan or strategy is consistent with na-
21 tional economic and social policies and trends,

22 (B) the plan or strategy addresses shared and in-
23 terstate regional problems and solutions and provides a
24 mechanism for project or program funding selection

1 which adequately attends to such problems and needs,
2 and

3 (C) the plan or strategy reflects interregional con-
4 sistency and compatibility, so that the activities of a
5 commission will not adversely affect the conditions in
6 or plans of another region.

7 (2) Except in the case of the Appalachian Regional
8 Commission, the plan described in paragraph (a) of this sec-
9 tion shall be reviewed by the Secretary and may be disap-
10 proved within sixty days of transmittal, only if the Secretary
11 determines that the requirements of paragraph (1) (A) and (C)
12 of this subsection are not met by the plan.

13 (d) Each commission shall review its multiyear plan an-
14 nually and undertake a formal assessment of such plan every
15 five years.

16 (e) Notwithstanding section 205(a)(1) of this Act, for a
17 period not to exceed eighteen months after the establishment
18 of a commission or the enactment of this Act, whichever is
19 longer, assistance may be provided under this Act on the
20 basis of State development plans and commission annual in-
21 vestment strategies.

22 SEC. 305. (a) The development planning process and
23 the regional growth policy process shall be ~~ultimately based~~
24 ~~on~~ reflect the goals, objectives, priorities, and recommenda-
25 tions of development districts and local governments as re-

1 flected in State development plans. ~~The~~ *To the extent practi-*
2 *cable, the* regional development plan, and annual investment
3 strategies shall be developed from and shall incorporate such
4 goals, objectives, priorities, and recommendations. The State,
5 in the preparation of a State development plan, and the Com-
6 mission, in the preparation of the regional development plan
7 and annual investment strategies, shall accommodate and to
8 the extent practicable harmonize the diverse goals, objec-
9 tives, priorities, recommendations, and needs identified by de-
10 velopment districts and local governments.

11 *(b)(1) To the maximum extent practicable, planning*
12 *processes required or assisted under this Act shall be based*
13 *on and not duplicate existing planning processes and institu-*
14 *tions, and shall make appropriate use of any existing plans*
15 *for the affected area. Planning assisted under section 302 of*
16 *the Public Works and Economic Development Act shall be*
17 *integrated to the maximum extent practicable with planning*
18 *required or assisted under this Act, and such planning shall*
19 *be conducted in conjunction with the review procedure re-*
20 *quired pursuant to title IV of the Intergovernmental Cooper-*
21 *ation Act of 1968.*

22 *(2) Each commission shall establish a satisfactory proc-*
23 *ess of consultation with general purpose local governments*
24 *and local planning and development districts to assure com-*
25 *pliance with section 303(a), (b)(1) and (b)(2) and section*

1 304(a). Such process of consultation shall provide that any
2 local government or development district may petition to the
3 commission for review of any action of a State or the com-
4 mission inconsistent with such sections.

5 (b) (c) Public and private sector participation in the de-
6 velopment of the goals, objectives, and priorities of regions,
7 States, and development districts shall be provided for, en-
8 couraged, and assisted. Regional development commissions
9 and member States shall prepare and publish guidelines to
10 assure full opportunity for public and private sector participa-
11 tion in the establishment of such goals, objectives, and prior-
12 ities.

13 SEC. 306. When used in this Act:

14 (1) The term "regional development" means the
15 process of improving conditions and opportunities for
16 individuals, communities, States, and regions through
17 selective management of resources and activities
18 toward the achievement of regional goals in the ap-
19 proved regional plan, including those goals affecting
20 human and cultural resources, institutional, communi-
21 ty, and economic development;

22 (2) The term "commission" refers to a regional
23 development commission established pursuant to this
24 Act, the Appalachian Regional Development Act of
25 1965, or title V of the Public Works and Economic

1 Development Act of 1965, unless the context indicates
2 otherwise;

3 (3) The term "Secretary" means the Secretary of
4 Commerce;

5 (4) The term "State", "States", and "United
6 States" include the several States, the District of
7 Columbia, the Commonwealth of Puerto Rico, the
8 territories of the Virgin Islands, Guam, American
9 Samoa, the Commonwealth of the Northern Marianas,
10 and the Trust Territory of the Pacific Islands;

11 (5) The term "Governor" includes the chief
12 executive officers of the territorial and political units
13 included in the definition of the term "State";

14 (6) The term "regional growth policy process"
15 means the process of developing and communicating
16 recommendations affecting shared and interstate prob-
17 lems of growth and decline set out in the regional plan
18 and annual investment strategy with specific reference
19 to policy recommendations applicable to the Federal,
20 State, and local governments and necessary to the suc-
21 cessful implementation of the plan and strategy;

22 (7) The term "substate planning and development
23 district" is a multijurisdictional entity certified to a re-
24 gional development commission either by the Governor
25 or legislature of the State in which such entity is lo-

1 cated, or by the State officer designated by State law
2 to make such certification, as having responsibility for
3 continuous, coordinated, comprehensive public facilities
4 and services planning. Unless otherwise provided under
5 State law, local development districts previously certi-
6 fied pursuant to the Appalachian Regional Develop-
7 ment Act of 1965 and economic development districts
8 designated pursuant to the Public Works and Econom-
9 ic Development Act of 1965 shall be recognized as
10 substate planning and development districts certified
11 pursuant to this paragraph; and

12 (8) The term "annual investment strategy" means
13 the annual project packages, investment programs, or
14 proposed funding elements of the member States as ap-
15 proved by the Commission and certified by such Com-
16 mission to be consistent with and in furtherance of an
17 approved regional development plan.

18 SEC. 307. (a) Each regional commission shall make a
19 full and detailed report each fiscal year to the Congress, each
20 State member, and the Secretary with respect to the commis-
21 sion's past and proposed activities. The first such report shall
22 be made for the first fiscal year in which a commission has
23 been in existence for more than three months after enactment
24 of this Act. Such reports shall be printed and transmitted to

1 the Congress not later than six months after the end of the
2 fiscal year for which the report is made.

3 (b) Each biennium, each regional commission, with the
4 assistance of the Secretary (except in the case of the Appala-
5 chian Regional Commission), shall submit a report to the
6 Congress of the economic trends, development inhibitors,
7 growth opportunities, and other relevant economic and social
8 data for each region.

9 (c) *Not later than one year after the establishment of the*
10 *Alaska Regional Development Commission pursuant to sec-*
11 *tion 203(a) of title II of this Act, the Secretary shall submit*
12 *a report to the President and the Congress on the following*
13 *issues:*

14 (1) *the desirability of creating a joint Federal-*
15 *State Economic Development and Land Use Planning*
16 *Commission for Alaska, with land use planning and*
17 *classification powers;*

18 (2) *a proposed structure and recitation of func-*
19 *tions and duties of such a commission;*

20 (3) *the extent to which such a commission should*
21 *be integrated with the Alaska Regional Development*
22 *Commission established pursuant to section 203(a) of*
23 *title II of this Act.*

1 *This report shall be prepared in consultation with the Secre-*
2 *taries of the Interior and Transportation and the Governor of*
3 *Alaska.*

4 SEC. 308. Within six months after the first biennium
5 after enactment of this Act, the President shall conduct a
6 comprehensive review of the commissions operating under
7 the authority of this Act. This review shall include, among
8 other things, an evaluation of the commissions' program ef-
9 fectiveness, a determination of the effectiveness of Depart-
10 ment of Commerce management and support of commissions,
11 any recommendations for preferred placement of the program
12 in the executive branch, and an assessment of the progress
13 made in unifying and coordinating federally assisted regional,
14 State, and substate development programs and planning ac-
15 tivities. Within eighteen months after enactment of this Act,
16 the President shall conduct a review of the appropriateness of
17 regional commission and Federal Regional Council bound-
18 aries. The President shall report the results of such reviews
19 to the Senate Committee on Environment and Public Works
20 and the House Committee on Public Works and Transporta-
21 tion.

22 SEC. 309. (1) *There is hereby established a system of*
23 *Border Resource Research Institutes under the jurisdiction*
24 *of the Southwest Border Regional Commission. Within one*
25 *year after enactment of this section, the Commission shall*

1 *designate one university in each border State for membership*
2 *in the system of Institutes.*

3 (2) *It shall be the duty of each such Institute to initiate*
4 *and support research programs in the various fields relative*
5 *to border problems and to provide for educational programs*
6 *and the training of specialists through such research, investi-*
7 *gations, and experiments. Such research, investigations, ex-*
8 *periments and training may include population issues;*
9 *water, land and air resource issues; and other aspects of*
10 *border resource problems, including the dissemination of the*
11 *results of research deemed potentially significant for the solu-*
12 *tion of border resource problems.*

13 (3) *The Commission is hereby charged with the respon-*
14 *sibility for the funding and proper administration of the In-*
15 *stitutes and shall prescribe such rules and regulations as*
16 *may be necessary to carry out these provisions. The Commis-*
17 *sion shall furnish such advice and assistance as will best*
18 *promote the purposes of the Institutes and encourage and*
19 *assist in the establishment and maintenance of cooperation*
20 *by and between the Institutes and between them and other*
21 *research organizations.*

Amend the title so as to read: A bill to extend the Appalacheian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation.''.

Calendar No. 183

96TH CONGRESS
1ST SESSION

S. 835

[Report No. 96-171]

A BILL

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

MARCH 29 (legislative day, FEBRUARY 22), 1979

Read twice and referred to the Committee on Environment
and Public Works

MAY 15 (legislative day, APRIL 9), 1979

Reported with amendments and an amendment to the title



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL WORK SHEET

BILL NUMBER HB 932 RE Rural Development Council

Received from _____
Referred to Finance

Fiscal Note Requested
LAA Legal Contact _____

CONTACTS:

Sponsor: Rules Committee by Request of
Leg. Budget & Audit

Duncan

Noted re 3/28/88 hearing

DRDB

Gov's Office

Mark Jacobs, Jr. - Sitka 747-8168

Theright/Haida Central Council 6-132 Andy Chona

Noted re 4/7 hearing

✓ Commerce & Econ. Dev.

✓ Gov's Office

✓ DRDB

REGIONAL DEVELOPMENT ACT OF 1979

MAY 15 (legislative day, APRIL 9), 1979.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Environment and Public Works, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany S. 835]

The Committee on Environment and Public Works, to which was referred the bill (S. 835) to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multi-State regional development commissions to promote balanced development in the regions of the Nation having considered the same, reports favorably thereon with amendments and an amendment to the title and recommends that the bill as amended do pass.

GENERAL STATEMENT

Nearly 15 years ago, the Congress recognized the fact that certain regions of this nation were not enjoying the economic viability and prosperity common to the rest of the United States. Lagging regions could attribute their difficulties to a variety of reasons: depletion of natural resources; outmigration of population, technological changes resulting in obsolescence in single-industry areas and geographic isolation, among others. Most of the problems in these economically depressed areas transcended State boundaries.

To carry out an effective program of assistance in these distressed region, in 1965 the Congress authorized the creation of multi-state regional commissions through enactment of the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act. These commissions are partnerships of the States and

the Federal Government. Under the shared guidance of the Governors of the States involved and a Federal representative, a commission's primary responsibility is to develop regional policy to address common problems. Commissions provide a cooperative structure for such problem identification. To carry out a regional investment strategy, a commission provides assistance in assembling, from the array of available existing State and Federal authorities, those programs and projects which will meet the special needs of an area. It works with Federal agencies in selecting and shaping activities appropriate to provide unique responses to regional problems.

It is through regional development commissions that local, State and Federal officials, in spite of individual concerns, can combine resources to address difficulties which are shared by contiguous units of governments. This kind of effort, stemming as it does directly from the people, is vital to the development of workable regional plans. Such a plan must encompass a set of goals and objectives jointly determined by the commission partners after consideration of the views of people from all sections and groups in the region.

The primary purpose and responsibility of the regional commissions established in 1965 was to aid lagging areas—areas of chronic and substantial unemployment and low incomes. This task has not been completed. Strides have been made over the last 10 years and disparities between regions have narrowed. But differences still exist and the widest disparities exist between areas within regions. The commissions are to continue to give first priority to areas of decline. These areas most need help to move forward. Because the problems are deep seated and long-standing, they require the combined ingenuity and resources of the States and Federal Government. Coherent, coordinated strategies must be planned and adhered to. Investment must be concentrated and planned over a long period. There is no short cut to remedy the years of decline. During consideration of this legislation, the Committee reaffirmed its intent that the first priority of a commission is to address declining areas.

States have argued that the commission structure is useful in helping them to cope with sudden, rapid growth and the dislocations such growth brings to a region. The Committee agrees and has expanded the authority to plan for and coordinate policies to deal with dislocations in areas of rapid growth.

Another purpose of the bill is to strengthen and improve the coordination role of the regional commissions. The growth planning process outlined in the bill will improve the ability of the commissions in carrying out this function.

As a result of the White House Conference on Balanced National Growth and Economic Development last year, the President announced in January his desire to institute a regional growth policy process. He reiterated the finding of the conference that the varied economic problems in regions of the Nation suggested a need for strong State and local action to develop regional balanced growth policies and to focus local, State, and Federal funds in accordance with these strategies. President Carter determined that the existing Appalachian Regional Commission and the title V commissions were the vehicles through which such policies should be channeled.

In a unique arrangement, decision making is shared by the chief elected State official—the Governor, and a representative of the Federal government—the Federal Co-chairman. This arrangement has made the Commissions valuable institutions for addressing on a cooperative basis other shared regional matters. While the primary purpose of the commissions is to overcome the gap in income and jobs, they have also become a forum for shared State action on other regional issues such as pollution, coastal zone management, and energy.

Through its unique partnership, the commissions have served a valuable liaison role between the region and the national government. The commissions have been able to represent particular regional issues and opportunities to the various Federal departments and agencies in the formulation of those agencies' policies and programs. Thus regional perspectives can be brought to national policy, helping to tailor national programs to situations as they exist in the particular regions of the country. For example, an energy consuming region of the country such as the Northeast brings a different focus to national energy policy than an energy producing area such as the West. Both of these views should be made known before policy is established. Unnecessary hardship could be avoided and adjustments could be provided for before dislocations occur rather than after the fact.

The commissions also serve as a liaison, bringing national goals and objectives to regional decision makers. Armed with this information, regional policy can be directed to take advantage of national policy where possible. At a minimum the region will avoid policies contrary to national goals.

The Appalachian Regional Commission and the title V commissions were originally authorized by separate acts of Congress. They were last extended by a single statute—the Regional Development Act of 1975. The Committee on Environment and Public Works feels that now, 14 years after their inception, all these commissions should be in a sense melded into a common framework, and made to demonstrate the viability and effectiveness of a well-conceived regional strategy.

The committee believes that this legislation will further this objective.

BACKGROUND

APPALACHIAN REGIONAL COMMISSION

The special needs of the Appalachian Region were recognized by the Congress in 1965 when it passed the Appalachian Regional Development Act. It was envisioned at that time as a unique partnership between the Federal Government and the 13 member States. It was created to address the severe problems of the Appalachian area. In spite of its rich human and natural resources, the area traditionally lagged behind the rest of the Nation in its rate of growth and development.

In the 14 years since its inception, the Appalachian program has come a long way toward fulfilling expectations. It has helped to change the face of the area dramatically by fostering new hope, new initiative, and new enterprise. Some of these advancements are as follows:

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a

55-percent decline in poverty incidence during a period when nationwide figures show a 48-percent decline.

In per capita income, between 1965 and 1976 Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than \$300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

The importance of the Appalachian development highway system to the economic growth of this mountainous region cannot be over-emphasized. Of the entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent are either completed or under construction. An additional 680 miles of access roads have been built to serve industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

These are significant advances. But much remains to be done. Of Appalachia's 19 million inhabitants, 2.7 million continue to live in poverty. Only six out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of health facilities, serious health problems remain. Infant mortality rates still exceed those of the rest of the Nation. A high incidence of diseases such as hepatitis, streptococcus, tuberculosis, measles, and rubella remains. And the 1976 ratio of 116 physicians to every 100,000 people lags behind the national average of 174 per 100,000.

The Committee considers that the most significant aspect of the total Appalachian experiment has been the continuing development of the partnership role among all levels of government. The experiment is succeeding. This legislation extends the Appalachian Regional Commission for an additional 4 years, and provides it with additional authorities and responsibilities.

TITLE V REGIONAL COMMISSIONS

The Public Works and Economic Development Act of 1965 recognized that there were lagging regions in parts of the country outside of Appalachia. Title V of that Act provided for the establishment of regional development commissions in other sections of the country which had special problems and needs demanding individual analysis

and response. Like Appalachia, they were given broad authority to supplement other Federal grants, to undertake planning and studies, provide technical assistance, and encourage investment plans and the capability of State members to foster economic growth. Federal direction for these programs was placed in the Department of Commerce.

There are now eleven title V commissions, comprising all or parts of 48 States, three of which were designated in December, 1978.

The commissions have pursued a wide variety of programs. They have differed in their development programs as their regions have differed one from the other in the nature and scope of the problems that distinguish them as lagging regions.

Commission programs for the most part are directed toward closing the income gap, creating more jobs, and raising education levels. Programs dealing with transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, tourism, and health are typical examples.

In the Regional Development Act of 1975, Congress expanded the program authorities of the commissions in the fields of energy, transportation, health and education—comparable authorities earlier provided the Appalachian Regional Commission. Congress also attempted to upgrade regional development through the commissions by raising the annual authorization from \$150 million in 1975 to the present \$250 million level. By all accounts, program performance under the commissions has been significantly limited because past Administrations have never requested adequate funding. But this legislation again expands their authorities and provides a more clearly defined framework for their operation within the executive branch.

PURPOSE OF THE LEGISLATION

S. 855, as amended, extends the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act, and provides for the creation of regional commissions to promote balanced development in all regions of the Nation to respond to economic distress.

The bill as approved by the Committee continues the operation of the Appalachian Regional Commission and its program for an additional four years, through fiscal year 1983. It also provides a mechanism for the implementation of a similar regional approach to areas of economic distress in the rest of the Nation, most of which are already included in commissions established under title V of the Public Works and Economic Development Act of 1965.

The regional commissions under title II of the reported bill are authorized at not to exceed \$250 million for each of the fiscal years 1980, 1981, 1982, and 1983. The nonhighway program authorization for the Appalachian Regional Commission under title I of the bill is \$340 million for the 2-fiscal-year period 1980 and 1981, and \$380 million for the 2-fiscal-year period 1982 and 1983. The Appalachian Development Highway Program authorizations are \$350 million for fiscal year 1981 (an increase of \$180 million); \$400 million for fiscal year 1982; \$450 million for fiscal year 1983; \$500 million for fiscal year 1984; and \$500 million for fiscal year 1985.

Title III, the "Regional Growth Policy Process Act", provides a means whereby the Federal Government, the States, and regional, substate and local entities can together address, on a regional basis, problems experienced in two or more States.

While a primary purpose of the regional commission program is still to assist areas of economic decline, their authority has been expanded to include hardship caused by sudden rapid growth.

A key feature of the legislation is the creation of an interagency committee at the White House level which shall provide program coordination and support for the regional commissions and the Federal agencies. This will provide the commissions with a visibility which they have lacked under the existing title V program, and should assure them a greater voice in the cohesion and coordination of the multifaceted Federal programs established to assist States and local governments in the resolution of their shared economic problems.

Provisions are included in the legislation which will assure accountability and responsibility on the part of the Federal, commission and State entities under this Act.

In conclusion, the legislation expands the authorities of the regional commissions while at the same time more clearly defines their responsibilities. This is intended to assure the development of an integrated approach to problems of economic distress based on local, State, and regional perceptions, and ultimately reflected in actions by the Federal Government.

REGIONAL GROWTH POLICY PROCESS

Title III of this legislation establishes a regional growth policy process to bring the Federal Government, regional commissions, States, and local governments into a cooperative structure for addressing regional issues.

FEDERAL COORDINATION

The President has proposed this new "process", based on recommendations of the 1978 White House Conference on Balanced National Growth and Economic Development. A January, 1979, memorandum from the President to agency and department heads on the subject of regional commission support provides appropriate background for a discussion of the growth policy process:

In light of the changing patterns of economic activity across the country, and in order to extend the ability of States and localities to shape Federal policies in behalf of regional concerns, new processes for planning, coordination and policy support are required. To develop and carry them out will require cooperation on the part of the Secretary of Commerce, Federal departments and agencies, the Interagency Coordinating Council, the Federal Cochairmen of the Appalachian and title V Regional Commissions and the Federal Regional Councils.

* * * I am instituting a regional growth policy process to assist the regional commissions in developing and implementing their multiyear regional development plans and annual

investment programs. These plans and, more importantly, the annual investment programs should be developed from the ground up, reflecting sub-state and State development plans. Through this policy process, the regional commissions will be given an opportunity to prepare recommendations to Federal departments and agencies for solutions to problems of regional growth and decline * * *

This important innovation expands the influence of the commissions beyond their limited funding base to all of the relevant Federal programs, including financial and technical assistance, direct development, and other Federal decisions. Use of the White House Inter-agency Coordinating Council assures that the regional commission point of view will have the attention of all units of the executive branch.

This opportunity for the governors and Federal cochairmen, acting together as commissions, to address the larger problems shared by the States of each region will require a spirit of constructive accommodation on the part of Federal agencies. Not every problem viewed by a commission to be of regional significance and requiring adaptation of some Federal policy or procedures can be accommodated by the affected Federal agencies. But this new process ought to identify those that can, and do so with reasonable speed.

Section 302 delineates the Federal role in coordinating with the regional commissions. The President is directed to establish an inter-agency committee for program coordination and support for the regional commissions and the Federal Government is determining policies and recommendations which will further the purposes of this Act. The committee is to be chaired by a senior White House official, and composed of the Chairman of the Regional Development Council, and senior officials of Federal departments and agencies concerned with regional development activities.

Each commission is required to prepare a multivear regional development plan and annual investment strategies. The inter-agency committee authorized in section 302 is directed to establish a schedule for review of the recommendations contained in each commission's plan and annual regional growth policy recommendations by the Federal departments and agencies represented on the committee. The commissions are to participate in any discussions with those Federal agencies which are necessary to resolve any issues, and the Chairman is to attempt to identify and encourage solutions to regional issues involving the participations of more than one department or agency.

This section also requires Federal Cochairmen of regional commissions to be appointed Chairpersons of appropriate Federal Regional Councils where practicable. If the Federal Regional Councils are to serve any useful purpose, it is important for them to be linked to the regional commissions.

Federal departments and agencies are directed to cooperate with commissions to the maximum extent possible. They are also directed to assure that existing Federal programs are not inconsistent with commission activities, and to consult with appropriate commissions prior to providing financial assistance to any multistate organization engaged in activities related to regional growth purposes.