

PUBLIC LAW 107-149—MAR. 12, 2002

APPALACHIAN REGIONAL DEVELOPMENT  
ACT AMENDMENTS OF 2002

Public Law 107-149  
107th Congress

An Act

Mar. 12, 2002  
[S. 1206]

To reauthorize the Appalachian Regional Development Act of 1965, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Appalachian  
Regional  
Development Act  
Amendments of  
2002.  
40 USC app. 1  
note.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Appalachian Regional Development Act Amendments of 2002”.

**SEC. 2. PURPOSES.**

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

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

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

(b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (b), by inserting after the third sentence the following: “Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.”; and

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

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

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting “, and support,” after “formation of”;

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

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

(4) by adding at the end the following:

“(9) encourage the use of eco-industrial development technologies and approaches; and

“(10) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.”.

40 USC app. 102.

40 USC app. 2  
note.

40 USC app. 2.

**SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.**

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

40 USC app. 104.

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

(2) by adding at the end the following:

“(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

“(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the ‘Interagency Coordinating Council on Appalachia’.

“(2) MEMBERSHIP.—The Council shall be composed of—

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

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

**SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.**

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

**“SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.**

40 USC app. 203.

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

“(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

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

“(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

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

“(b) SOURCE OF FUNDING.—

“(1) IN GENERAL.—Assistance under this section may be provided—

“(A) exclusively from amounts made available to carry out this section; or

“(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

“(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

“(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.”.

**SEC. 6. ENTREPRENEURSHIP INITIATIVE.**

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

40 USC app. 204.

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

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

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

“(2) a service in support of the protection of intellectual property through a patent, a trademark, or any other means;

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

“(4) consultation on strategic planning, marketing, or advertising.

“(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

“(1) to support the advancement of, and provide, entrepreneurial training and education for youths, students, and businesspersons;

“(2) to improve access to debt and equity capital by such means as facilitating the establishment of development venture capital funds;

“(3) to aid communities in identifying, developing, and implementing development strategies for various sectors of the economy; and

“(4)(A) to develop a working network of business incubators; and

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

“(c) SOURCE OF FUNDING.—

“(1) IN GENERAL.—Assistance under this section may be provided—

“(A) exclusively from amounts made available to carry out this section; or

“(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

“(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

“(d) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.”.

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

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

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

40 USC app. 205.

“(a) **DEFINITION OF ELIGIBLE ENTITY.**—In this section, the term ‘eligible entity’ means a consortium that—

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

“(2) consists of representatives of—

“(A) businesses (or a nonprofit organization that represents businesses);

“(B) labor organizations;

“(C) State and local governments; or

“(D) educational institutions.

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

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

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

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

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

“(4) the development of apprenticeship programs;

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

“(6) the development of training plans for businesses.

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

“(d) **SOURCE OF FUNDING.**—

“(1) **IN GENERAL.**—Assistance under this section may be provided—

“(A) exclusively from amounts made available to carry out this section; or

“(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

“(2) **FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.**—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

“(e) **COST SHARING FOR GRANTS.**—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.”.

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

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

(b) **ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.**—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

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

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

Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting “(or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226)” after “such expenses”.

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

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

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

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

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

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

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

“(b) **TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.**—Of the amounts made available under subsection (a), the following amounts may be made available to carry out section 203:

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

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

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

“(c) **AVAILABILITY.**—Sums made available under subsection (a) shall remain available until expended.”.

**SEC. 11. ADDITION OF COUNTIES TO APPALACHIAN REGION.**

Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the third undesignated paragraph (relating to Kentucky)—

(A) by inserting “Edmonson,” after “Cumberland,”;

(B) by inserting “Hart,” after “Harlan,”; and

(C) by striking “Montgomery,” and inserting “Montgomery,”; and

(2) in the fifth undesignated paragraph (relating to Mississippi)—

(A) by inserting “Montgomery,” after “Monroe,”; and

(B) by inserting “Panola,” after “Oktibbeha,”.

**SEC. 12. TERMINATION.**

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking “2001” and inserting “2006”. 40 USC app. 405.

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

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking “implementing investment program” and inserting “strategy statement”. 40 USC app. 101.

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

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

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by striking “title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282),” and inserting “title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.)”. 40 USC app. 202.

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking “section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949,” and inserting “section 221 of the National Housing Act (12 U.S.C. 1715l), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),”. 40 USC app. 207.

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended— 40 USC app. 214.

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

(2) in subsection (a)—

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

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

(C) by striking “grant-in-aid program” each place it appears and inserting “grant program”; and

(D) by striking the third sentence;

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

“(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

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

“(A) the acquisition or development of land;

“(B) the construction or equipment of facilities; or

“(C) any other community or economic development or economic adjustment activity.

“(2) INCLUSIONS.—In this section, the term ‘Federal grant program’ includes a Federal grant program such as a Federal grant program authorized by—

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

“(B) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4 et seq.);

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

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

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

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

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

“(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

“(I) part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).

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

“(A) the program for construction of the Appalachian development highway system authorized by section 201;

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

“(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.”; and

(4) by striking subsection (d).

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

40 USC app. 225. (h) Section 225 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)—

(1) in subsection (a)(3), by striking “development program” and inserting “development strategies”; and

(2) in subsection (c)(2), by striking “development programs” and inserting “development strategies”.

40 USC app. 303. (i) Section 303 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking “INVESTMENT PROGRAMS” and inserting “STRATEGY STATEMENTS”;

(2) in the first sentence, by striking “implementing investments programs” and inserting “strategy statements”; and

(3) by striking “implementing investment program” each place it appears and inserting “strategy statement”.



(j) Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the next-to-last undesignated paragraph by striking “Committee on Public Works and Transportation” and inserting “Committee on Transportation and Infrastructure”. 40 USC app. 403.

Approved March 12, 2002.

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LEGISLATIVE HISTORY—S. 1206 (H.R. 2501):

HOUSE REPORTS: No. 107-180 accompanying H.R. 2501 (Comm. on Transportation and Infrastructure).

SENATE REPORTS: No. 107-132 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 148 (2002):

Feb. 8, considered and passed Senate.

Feb. 26, considered and passed House.

