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signed 12/31/75

APPROVED
DEC 31 1975

THE WHITE HOUSE
WASHINGTON
December 30, 1975

ACTION
Last Day: December 31

Postal
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To archive
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MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: H.R. 4073 - Regional Development Act of 1975

Attached for your consideration is H.R. 4073, sponsored by Representative Jones, which would:

- Extend and amend the Appalachian Regional Development Act of 1956, which created the Appalachian Regional Commission; and
- Authorize appropriations for and amend Title V of the Public Works and Economic Development Act of 1965, which established the Regional Action Planning Commissions.

A detailed discussion of the provisions of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus), Bill Seidman and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 4073 at Tab B.



DEC 31 1975

A



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 27 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 4073 - Regional Development
Act of 1975
Sponsor - Rep. Jones (D) Alabama

Last Day for Action

December 31, 1975 - Wednesday

Purpose

To extend and amend the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act of 1965.

Agency Recommendations

Office of Management and Budget	Approval
Appalachian Regional Commission	Approval
Department of Commerce	Approval
Department of Housing and Urban Development	Approval
Department of the Interior	Approval
Department of Agriculture	Approval
Advisory Commission on Intergovernmental Relations	Approval
Department of Transportation	No objection
Department of Health, Education, and Welfare	No objection
Environmental Protection Agency	No comment (Informally)
Federal Energy Administration	No comment (Informally)
Energy Research and Development Administration	No comment (Informally)

Discussion

H.R. 4073 provides authorizations for and amendments to two regional development Acts.



Background

The Appalachian Regional Development Act of 1965 (ARDA) established the Appalachian Regional Commission and was designed to increase participation of the 13-State Appalachian region in the general growth and prosperity of the nation. In the same year, passage of the Public Works and Economic Development Act (PWEDA) recognized that there were regions outside Appalachia that were also lagging in economic development. Organized under Commerce Department auspices, seven Regional Action Planning Commissions were given broad authority to supplement other Federal grants to seven areas of the country, to undertake planning and studies, to provide technical assistance, and to encourage State investment and growth plans. Both of these economic development Acts attempt to close the income gap between the region and the rest of the country, to create more jobs and to raise educational levels through programs in areas such as transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, agriculture and forestry, and recreation and tourism.

Appalachian Regional Development Act Amendments of 1975

Title I of the enrolled bill extends the Appalachian Regional Commission (ARC) for four years. It authorizes appropriations for administrative expenses of \$4.6 million for the period July 1, 1975 through September 30, 1977, and \$5.0 million for the following two year period. The Administration requested \$4.2 million and \$3.7 million, respectively, for these periods. Other provisions would:

- authorize appropriations for the Appalachian highway program of \$25 million for FY 1978, \$300 million each for fiscal years 1979 and 1980, and \$170 million for fiscal year 1981. The Administration request included no authorizations beyond fiscal year 1978. The 1977 budget includes \$185 million for Appalachian highways.
- authorize appropriations for non-highway, area development programs at \$340 million for July 1, 1975, through September 30, 1977, and \$300 million for the following two year period; the Administration bill included \$276 million and \$267 million respectively. This would fund all non-highway programs such as vocational education, health care and housing.

- authorize a 200 mile increase for the highway corridor system which provides for an east-west corridor through northern Mississippi and Alabama. Although the bill also decreases access roads by 200 miles, the Commission has not fully utilized its authorization for access road construction. This is the most objectionable part of Title I. Additional mileage at this late date will almost certainly commit the Federal Government to continue support for Appalachia well beyond 1981.
- modify the Commission's method of operation to ensure that member Governors take a more active role in Commission activities by requiring that only a Governor may be a member of the Commission, rather than any representative. However, an alternate may be chosen, but limitations are made on the participation of alternates with respect to voting and inclusion in a quorum.
- increase the rating of the Federal Cochairperson from Executive Level V to Level III and the alternate from GS-18 to Executive Level V.
- require the Commission, the States, and the local development districts to encourage and assist greater public participation through such means as public hearings. The Commission would be required to establish minimum guidelines for public participation.
- expand the types of Federal and State housing assistance programs which may give grants and loans for Appalachian development. It is anticipated that this amendment will be particularly useful to the region for rural housing assistance by the Farmers Home Administration.
- require annual State Development Plans which would discuss procedures for local planning and budgeting, describe State goals, objectives and priorities, and detail a program for attaining those State goals. These plans would be reviewed and approved by the Commission.

This Title of the bill is generally consistent with legislation submitted to the Congress by the Administration. The higher authorization levels and the increase in the highway corridor system are not problems of sufficient magnitude to warrant disapproval.

Public Works and Economic Development Act Amendments of 1975

Title II of the enrolled bill would authorize appropriations for and amend Title V of the Public Works and Economic Development Act of 1965 which established the Regional Action Planning Commissions. The authorization for the Planning Commissions would be extended through fiscal year 1977 and the appropriation authorization would be increased in FY 1976 from \$150 to \$200 million plus \$50 million for the transition quarter. Appropriations of \$250 million would be authorized in FY 1977. An additional \$11.25 million would be available for fiscal years 1976 and 1977 for the management and authorized activities of new commissions which may be established by the Secretary of Commerce.

Other provisions would:

- transfer from the Secretary of Commerce to the regional commissions authority to conduct and facilitate investigations and studies of regional transportation systems. Each regional commission would be authorized to make grants for the construction, purchase of equipment and operation of regional transportation network demonstration projects. No Federal grant may exceed 80 percent of the total project cost, and no region may spend more than \$5 million of its annual apportionment for this purpose.
- add California, Texas, Puerto Rico and the Virgin Islands as exceptions to the requirement that regions must be within contiguous States to be designated as an "economic development region." The Secretary of Commerce would also be permitted to designate either California or Texas as a single State Commission if they meet the necessary requirements to qualify as an economic development region. The bill states congressional intent that the Secretary encourage formation of a new Commission along the Mexican border including Texas, New Mexico, Arizona and California.

- authorize each commission to carry out energy-related demonstration projects and programs including the social, economic and environmental impact of energy development. No region may spend more than \$5 million of its annual apportionment for this purpose.
- authorize each regional commission to spend no more than \$2.5 million of its annual apportionment to carry out demonstration projects to develop indigenous arts and crafts.
- authorize the Secretary of Health, Education, and Welfare to make grants for the planning, construction, equipment and operation of multistate demonstration health and nutrition projects, including hospitals, diagnostic and treatment centers and vocational and technical education projects. In his letter on the enrolled bill, the Secretary of HEW had no objection to these provisions.
- make several technical amendments to ensure that State Governors take an active role in the Regional Action Planning Commissions.

The Administration had requested a simple three year extension of the authorities in the PWEDA. The enrolled bill would extend Title V of that Act for one year at a substantially increased authorization and with more programs than were requested.

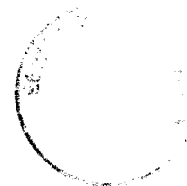
The primary objection to the enrolled bill is that it represents a step in transforming the Regional Action Planning Commissions into independent agencies with broad program authorities, similar to the structure of the Appalachia Regional Commission. The bill authorizes the Commissions to become involved in funding demonstration projects for transportation systems, energy resource development, health care, vocational and technical education, and indigenous arts and crafts, all of which set the stage for new full-scale Commission programs. Furthermore, the funding levels authorized exceed those requested in your 1976 budget by \$55 million.

Nevertheless, the new categorical programs authorized by the enrolled bill involve only demonstration projects. Although it moves in the direction of larger regional programs in more States, funding can reasonably be controlled through the appropriation process. Although the Senate will probably

continue to push to make the Commissions independent and to broaden their program authorities, the House traditionally has shown resistance to moving in that direction. We, therefore, do not believe H.R. 4073 is sufficiently objectionable to warrant its disapproval.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures





ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

December 18, 1975

James M. Frey
Assistant Director for
Legislative Reference
OFFICE OF MANAGEMENT AND BUDGET
New Executive Office Building
Washington, D. C. 20575

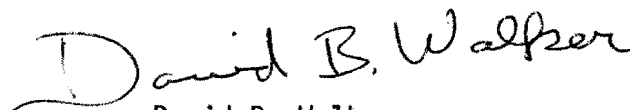
Dear Mr. Frey:

This is in response to your request for the views and recommendations of the Advisory Commission on Intergovernmental Relations on enrolled bill H.R. 4073, the "Regional Development Act of 1975."

The Commission has not taken a position on most of the issues covered in this legislation. At the same time, we find that the general thrust of the measure is wholly in harmony with the Commission's 1972 recommendation "that the Federal-multistate regional instrumentalities created pursuant to the Appalachian Regional Development Act, Title V of the Public Works and Economic Development Act of 1965... be retained pending further experience and further recommendations by the Commission as to what form of multistate regionalism, if any, should be adopted." (See page 208 of the Advisory Commission on Intergovernmental Relations report, Multistate Regionalism, A-39.) Moreover, and these are wholly informal staff opinions, it would appear that the provisions under Title I for strengthening the gubernatorial role, the State development planning process, and the local development districts are especially noteworthy and are in basic accord with Commission positions enunciated in other reports. With reference to Title II, staff finds that Sections 203-206 ought to give the Title V Commissions a greater contemporary focus, while Section 208 should strengthen gubernatorial involvement.

In light of the above, we urge Presidential signature of enrolled bill H.R. 4073.

Sincerely,


David B. Walker
Assistant Director



OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

DEC 22 1975

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

You have asked for our comments on H.R. 4073, an enrolled bill

"To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the Title V Action Planning Commissions, and for other purposes."

Title I of the enrolled bill is cited as the Appalachian Regional Development Act Amendments of 1975. Section 110 authorizes an increase of 200 miles (from 2700 to 2900) in the statutory mileage ceiling for the development highway system, with a corresponding 200 mile decrease (from 1600 to 1400) in the mileage ceiling for local access roads. We have no objection to this provision since it will provide highway corridor access for a sector (Huntsville-Memphis) of the region which was not part of the Appalachian program when the original corridors were established. The Huntsville-Memphis sector remains the only major developed area in the region without an Appalachian highway or access to a highway of interstate quality. As to the other provisions of Title I, we defer to the Appalachian Regional Commission.

Title II of the enrolled bill is cited as the Regional Action Planning Commission Improvement Act of 1975. Section 203 authorizes the seven regional commissions, with the assistance of the Secretary of Transportation, to conduct studies and investigations of transportation needs in each of the economic development regions established under the Public Works and Economic Development Act of 1965, as amended. In addition, each regional commission, with the assistance of the Secretary of Transportation, is authorized to make grants for construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects.

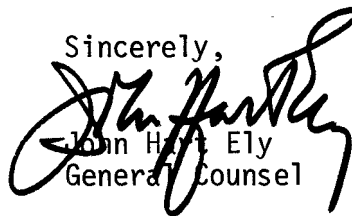
A grant for construction or equipment may not exceed 80 percent of the cost. The Federal contribution may be provided entirely from funds authorized under this Title (not to exceed \$5 million of the funds apportioned to each regional commission in any one fiscal year) or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities.

Consistent with the President's policy on simplifying and rationalizing the myriad Federal grant programs, we would have preferred that the Secretary of Transportation, rather than the regional commissions, be authorized to conduct the studies and investigations called for in Section 203. This would ensure effective coordination with our on-going national transportation studies designed to assess transportation performance and requirements for future expenditures. We also would have preferred that the Secretary be given the authority to make the grants in the legislation because of our responsibilities under Section 147 of the Federal-Aid Highway Act of 1973 to conduct the rural highway public transportation demonstration programs.

However, we realize that there are considerations involved in economic development other than transportation. We would, therefore, suggest that the Secretary of Commerce revitalize the Federal Advisory Council on Regional Economic Development (FACRED) to coordinate and review the transportation facets of regional economic planning. In addition, the regional commissions should make full use of, and coordinate with, existing state and local transportation planning agencies, and avail themselves of the services of the Department of Transportation's field offices located within each of their regions.

Subject to the above comments, we have no objection to the President signing the enrolled bill. If the bill is signed, we suggest that the Secretary of Commerce convene an early meeting of FACRED to consider the issues raised in implementing this legislation.

Sincerely,



John H. Ely
General Counsel



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

DEC 23 1975

Dear Mr. Lynn:

This is in response to your request of December 18, 1975, for a report on H.R. 4073, an enrolled bill "To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes."

We favor a number of provisions in the enrolled bill which would broaden the authority for support of health and educational projects, including vocational and technical education, in Appalachian and other regional development areas. However, the bill primarily affects the programs of the Appalachian Regional Commission as well as a number of other agencies and we therefore defer to those agencies as to the desirability of the bill's enactment.

The basic purpose of the enrolled bill is to extend the Appalachian Regional Development Act through fiscal year 1979; to authorize appropriations for that period for health, education, and other public services in the region; and to provide new demonstration authority to address the social, economic, and environmental effects of expanded energy production. The bill also provides expanded authority under the Public Works and Economic Development Act of 1965 for carrying out planning and demonstrations in the fields of energy, transportation, health and nutrition, and education through the regional action planning commissions authorized under that Act.

The provisions of the enrolled bill which substantially affect the programs of this Department are as follows:

(1) Section 114 of the bill amends section 211 of the Appalachian Regional Development Act to expand the purposes for which projects may be operated under that

section to include a broad range of educational activities, rather than only vocational and technical education projects as under present law. The new authority would emphasize vocational and technical education, career information, cooperative and recurrent education, and guidance and counseling.

(2) Section 205 of the bill would add a new section 516 to title V of the Public Works and Economic Development Act of 1965 to authorize the Secretary of Health, Education, and Welfare to make grants for planning, construction, equipment, and operation of multicounty demonstration health and nutrition projects approved by regional development commissions. The Federal share of such projects would be no more than 80 percent of the cost of construction projects and 100 percent of the cost of operational projects in the first two years and 75 percent thereafter. The Federal share of these projects may be provided entirely with funds from the Public Works and Economic Development Act of 1965 or in combination with funds from other Federal programs.

(3) Section 206 of the bill would add a new section 517 to that Act to authorize the Secretary of Health, Education, and Welfare, in order to assist in the expansion and improvement of educational opportunities and services for people in economic development regions, to make grants for planning, constructing, equipping, and operating vocational and technical education demonstration projects. The same requirements relating to the Federal share and use of funds from other Federal programs would apply to these grants as would apply to health demonstration grants described above.

The Department has no objections to the provision relating to educational projects in the Appalachian region. The broadening of the educational authority under the Appalachian Regional Development Act, while perhaps reducing the level of funding for vocational and technical education in the region, is consistent with Administration policy that citizens of a region be provided with sufficient flexibility to assess their special needs with regard to matters such as education, and to allocate Federal funds for projects which they determine will best meet those needs.

The amendments to the Public Works and Economic Development Act of 1965 to provide authority for health and nutritional demonstration projects is duplicative of authority under

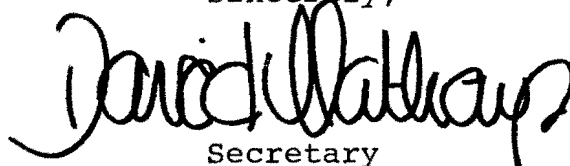


existing health legislation such as Health Resources Development (title XVI of the Public Health Service Act), Community Health Centers (section 330 of the Public Health Service Act), the Community Mental Health Centers Act, and Maternal and Child Health and Crippled Children's Services (title V of the Social Security Act). Likewise the demonstration authority for vocational and technical education projects is duplicative of existing authority under the Vocational Education Act of 1963. However, we understand the additional authority provided under the enrolled bill can be utilized in conjunction with such existing programs and would provide additional funding which may be appropriate for those underdeveloped areas of the country for which regional development commissions have been established.

The addition of this new program authority may create pressure for increased funding for the title V Action Planning Commissions. The President's Budget for fiscal year 1976 called for \$42,100,000 for this activity, while the enrolled bill would authorize an appropriation of \$200,000,000. We are unable to assess what cost implications this new authority would have, but we have no objection to the enactment of these provisions from a programmatic standpoint.

With regard to the desirability of the enactment of the bill as a whole, we defer to those agencies whose programs would be more directly affected.

Sincerely,

A handwritten signature in black ink, appearing to read "David Walker". The signature is written in a cursive, flowing style with a large initial "D".

Secretary



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

December 24, 1975

Honorable James T. Lynn
Director, Office of Management
and Budget

Dear Mr. Lynn:

In reply to the request of your office, the following report is submitted on the enrolled enactment H.R. 4073, "To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes."

The Department of Agriculture recommends that the President approve the bill.

There are provisions of title I which this Department would become directly involved in. Development of natural resources is the area this Department has cooperated with the Appalachian Regional Commission in promoting.

This Department supports provisions of the bill concerning the reclaiming of strip-mined areas. Although the bill does not provide for assistance in reclaiming strip-mined land in private ownership, it does provide for returning the strip-mined land in public ownership, or owned by a nonprofit entity, to a productive capacity. Restoration of the orphan-mined land is one area this Department supports.

Title II of H.R. 4073 would amend title V of the Public Works and Economic Development Act of 1965 to increase appropriation authorizations; to expand the program authority of regional commissions in the fields of energy, transportation, education, and health; and to provide new authority for the creation of additional regional commissions throughout the country.

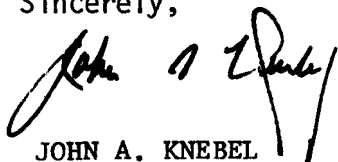
Earlier in this Congress, the Department of Agriculture provided your office with our views on the Appalachian Regional Commission's draft bill to extend the Appalachian Regional Development Act of 1965. This draft bill was subsequently introduced as S. 1513. We supported provisions in the draft bill which would have strengthened efforts toward

Honorable James T. Lynn

2

improving timber resources of the Appalachian Region. These provisions, which would have amended section 204 of the 1965 Act, were omitted by the Congress. Consequently, section 204 remains in effect as presently written. While we would have preferred the amendments contained in the draft bill, we have no objection to the continuation of the section 204 programs as presently authorized.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Knebel". The signature is written in a cursive style with a large, sweeping initial "J".

JOHN A. KNEBEL

Under Secretary

THE APPALACHIAN REGIONAL COMMISSION

1666 CONNECTICUT AVENUE

WASHINGTON, D.C. 20235

December 22, 1975

OFFICE OF
FEDERAL COCHAIRMAN

Mr. James M. Frey, Assistant Director
for Legislative Reference
Office of Management and Budget
Washington, D.C.

Attention: Ms. Ramsey
Room 7201
New Executive Office Building

Dear Sir:

This is in response to your request for views and recommendations on the enrolled bill H.R. 4073.

The following specific comments are my personal views as Federal Cochairman. The brief time allowed for response does not permit formal consultation with the full Commission. Nevertheless, I am certain that the other Members of the Commission, the Governors of the Appalachian States, would join me in saying that the Commission does fully endorse the four-year continuation of the Appalachian Program provided by Title I of H.R. 4073 and urges the President to sign the bill.

Speaking as the Administration's chief official involved with the Appalachian Program, my own view is that the President should sign the enrolled bill.

First, Title I of the bill, the Appalachian Regional Development Act Amendments of 1975, is fully consistent with Administration objectives and is largely consistent with the Administration bill sent to the Congress in the beginning of 1975. The President personally reendorsed the concept of a four-year extension in conversations with Senator Randolph in early October and was quite favorably impressed when he personally attended a Commission meeting in Knoxville on October 7, 1975, with the merit of the Commission as a mechanism for debating and resolving Federal-State problems.

I recognize that some may view the addition of the Title II to the bill as a reason for objecting to the legislation. On this point, however, I would urge that Title II should be viewed in the context of the Administration's earlier willingness to accept extension of the Title V Regional Commissions (as well as EDA) for a three-year period with a total authorization that would have exceeded that which is provided in Title II of H.R. 4073. (I personally previously endorsed the Commerce draft bill

Mr. James M. Frey, Assistant Director
for Legislative Reference
December 22, 1975
Page two

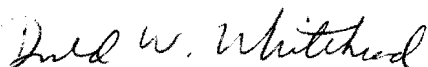
for extending EDA and Title V Regional Commissions for a three-year bill in my letter to you of June 6, 1975.)

From the political aspect, I believe a veto of the bill would be a mistake for the Administration. It would, in my opinion, confront the Administration with even more extreme demands for increasing authorizations for Title V Regional Commissions. Title II represents a significant compromise from the original demands of a powerful and large block of Senators led by Senators McClellan and Mansfield. These demands were formally expressed in a letter of June 20, 1975 to the Senate Public Works Committee, signed by Senators McClellan and Mansfield and over 40 others, including such traditional supporters of the President's positions on legislation as Senators Bartlett, Bellmon, Curtis, Dole, Fannin, Garn, Goldwater, Hansen, Hruska and Thurmond. This block of Senators, especially Senators McClellan and Mansfield, adamantly insisted upon retention of Title II in conference, even though House conferees made an attempt to move Title II to some other bill and the conference was at an impasse on the point for several sessions. Veto will only arouse stronger opposition of this Senate group.

There is no political gain in a veto. As noted, Title I is close to the Administration's own bill for the Appalachian Program and the President has personally endorsed it again as recently as October. Thus, Title I is legislation which the Administration sought and which is quite popular in Congress, with Governors, and with the general public. Even if Title V Commissions were to be viewed in a less favorable light, as some would counsel, Title II nevertheless represents, in most major respects, less than the Department of Commerce draft bill which the Administration was ready to send to the Congress.

Thus, on balance, there are much more compelling reasons to sign the legislation and take credit for it, than to veto and confront the opposition that it would raise in the already solidly organized Senate group and among the many Congressmen in the House who favor, and are affected by, the Title V program.

Sincerely,



DONALD W. WHITEHEAD
Federal Cochairman



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 2 1975

Dear Mr. Lynn:

This responds to your request for our views on H.R. 4073, an enrolled bill "To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes", which is before the President for approval.

We recommend that the President approve the bill.

The programs originally authorized by the Appalachian Regional Development Act of 1965 would be extended by the bill for an additional 4 years - viz. through FY 1979 for non-highway programs and through FY 1981 for highway programs. In addition, H.R. 4073 would confer additional responsibility on the Appalachian Regional Commission to coordinate Federal, State and local efforts on dealing with energy and other policies. Modifications in the Act to improve Commission structure and operation would also be made. Among these is an amendment to section 205 of the Act which would allow grants for planning and engineering for abatement and control of mine drainage pollution and extinguishing mine fires and to make cover materials such as sand, clay and stone eligible project costs under the Act's mining area restoration provisions. Section 205 would also be amended to allow reclamation on lands owned by private non-profit entities when the land is to be used for public recreation, conservation, community facilities and public housing. The bill would also add a new section 225 to the Act requiring each Appalachian state to prepare and submit to the Commission a development plan for the area of the State in the Appalachian region. The bill would also extend for 1 year through FY 1977 the regional commission program authorized by title V of the Public Works and Economic Development Act of 1965. New health, transportation, energy and education demonstration programs would be authorized, including grants for energy related demonstration projects and programs. Planning grants could be made for up to 100 percent of costs and grants for construction, equipment and operation could be made for up to 80 percent of costs.



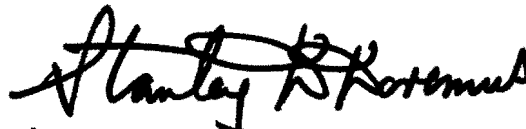
Save Energy and You Serve America!

We support generally the Appalachian regional development program carried out under the Act and the H.R. 4073 modifications to accommodate more fully the energy and environmental objectives which have become more pressing in Appalachia, as well as the entire Nation, than when the Act was first passed.

With respect to the mining area restoration provisions of section 205 of the Act, we do not object to extending these benefits to private non-profit entities, although this raises a number of questions concerning operation of section 205. For example, upon resale of reclaimed lands will the Federal Government recover some or all of its contribution and, if so, how? Implementation of proposals to transfer reclaimed lands is a matter of concern to this Department and we should directly control the terms under which such proposals may be carried out. With respect to revised section 205(c) authorizing the Secretary to waive requirements for the submission of releases, consents, waivers or similar instruments when the Federal Government is indemnified as specified, we note that the Secretary has complete discretion as to whether such waivers shall be made and in particular that he may specify that any indemnification agreement be satisfactory in form and substance to him before executing such waivers.

A number of rivers designated for study as potential additions to the National Wild and Scenic Rivers System run through part of the Appalachian region. We are of the view that the enrolled bill, including section 225, does not authorize the States to plan for the development of such rivers prior to the completion of the wild and scenic river studies and to Secretarial and congressional consideration of the study recommendations.

Sincerely yours,



~~Assistant~~ Secretary of the Interior

Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, D.C.



THE GENERAL COUNSEL OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

December 22, 1975

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Attention: Miss Martha Ramsey

Dear Mr. Frey:

Subject: H. R. 4073, 94th Congress, Enrolled Enactment

This is in response to your request for our views on the enrolled enactment of H. R. 4073, a bill "To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes."

The enrolled bill consists of two titles. Title I would make a variety of amendments to the Appalachian Regional Development Act of 1965. Among other things, it would extend the Act's operation through fiscal year 1979; provide for additional authorizations; make a number of changes in the Appalachian Regional Commission's membership, voting and administrative powers; amend the Act's statement of purpose to take account of national energy requirements and production which affect the Appalachian region; make changes in the Act's provisions respecting demonstration health projects, mining area restoration and vocational and technical education projects; and establish a new planning process for the Appalachian area.

Title II would expand the program authority of the regional action planning commissions provided for in title V of the

Public Works and Economic Development Act of 1965. Specifically, title II would authorize each Commission to make grants for demonstrations with respect to regional transportation, energy, health and nutrition, and education. In addition, the title would make changes in the structure and operation of the title V Regional Commissions similar to those proposed for the Appalachian Regional Commission in title I of the enrolled bill.

Of particular interest to this Department is section 113. Section 113 would, inter alia, expand this Department's authority to provide assistance for planning and other preliminary expenses in connection with proposed low- and moderate-income housing in the Appalachian region to include projects under section 8 of the U. S. Housing Act of 1937, section 515 of the Housing Act of 1949, or any other law of similar purpose administered by Federal or State entities.

As we reported to the Senate Committee on Public Works on July 17 in connection with an identical provision in S. 1513, 94th Congress, we favor this expansion of our authority in order that we may assist eligible applicants to take advantage of a wider range of low- and moderate-income housing programs to better meet the housing needs of the Appalachia area.

With respect to the desirability of enacting other provisions of the enrolled bill, we would defer to other agencies which may have a more direct interest in them.

Sincerely,



Robert R. Elliott



THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

DEC 22 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of this Department concerning H.R. 4073, an enrolled enactment

"To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes,"

to be cited as the "Regional Development Act of 1975."

Our comments are limited to Title II, to be cited as the "Regional Action Planning Commission Improvement Act of 1975." Title II amends Title V of the Public Works and Economic Development Act of 1965 (PWEDA) in the following major respects:

- 1) Section 501(a) of PWEDA is amended to authorize the Secretary to designate Puerto Rico and the Virgin Islands, and the States of California and Texas as regions.
- 2) Section 501(f) of PWEDA is amended so as to allow the States of California and Texas to form commissions if they meet the necessary requirements for an economic development region.
- 3) Section 209(c) of the bill expresses the intent of the Congress that the Secretary of Commerce invite and encourage the formation of a regional commission for the region along the border with Mexico in the States of Texas, New Mexico, Arizona, and California.
- 4) Section 509(d)(1) of PWEDA is amended by increasing the 1976 authorization from \$150,000,000 to \$200,000,000; providing \$50,000,000 for the transition quarter; and authorizing

\$250,000,000 for fiscal year 1977, all to be available until expended. A new section 509(d)(2) would authorize the Secretary to provide additional funding for new commissions allowing \$5,000,000 for fiscal 1976; \$1,250,000 for the transition quarter; and \$5,000,000 for FY 1977.

- 5) Additional authority is provided title V Regional Commissions by authorizing, in section 203 of the bill, a transportation planning and construction program in conjunction with the Secretary of Transportation. Not to exceed \$5,000,000 of the annual apportionment to each commission is authorized for this purpose.
- 6) Section 204 of the bill authorizes a regional energy program, including energy-related demonstration projects and programs "addressing the social, economic, and environmental impact of energy, development, requirements, and utilization." Not to exceed \$5,000,000 of the funds apportioned to each regional commission shall be expended in any one fiscal year for this purpose. In carrying out this authority, the commissions will work closely with the FEA, ERDA, and Interior.
- 7) Authority is also provided in section 204 of the bill for a \$2,500,000 demonstration project in connection with the development and stimulation of indigenous arts and crafts is provided for each commission.
- 8) A new health demonstration authority, as well as a new vocational and technical education authority have been added. No ceiling or floor is included for either authority.
- 9) Section 207 of the bill would require each regional commission to submit to the House and Senate Public Works Committees, within 120 days after enactment, a copy of its regional economic development plan required under section 503(a)(2) of the Public Works and Economic Development Act.

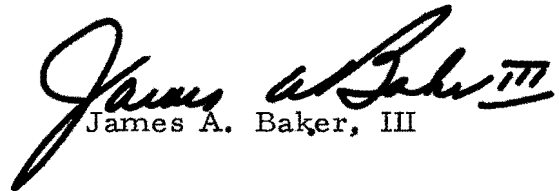
The Administration had requested a simple three year extension of the authorities in the Public Works and Economic Development Act. The enrolled bill would amend Title V of that Act to extend those programs for one year through fiscal year 1977 at a substantially increased authorization level and would authorize certain additional programs not requested by the Administration, which are detailed above.

There is the very strong likelihood that the Senate will provide for, and the House may concur in, the addition of funds for the new programs and excessive funds for existing programs which would be authorized for fiscal years 1976 and 1977 by this bill. It is, therefore, recommended that, if the President approves H. R. 4073, he accompany it with a statement which indicates that his approval in no way commits the Administration to request additional funds for the new programs or to approve any appropriation legislation providing additional funds for existing programs.

The Department defers to other agencies respecting provisions other than Title II.

Enclosed for your consideration is a proposed signing statement to accompany H. R. 4073 if approved.

Sincerely,


James A. Baker, III

Enclosure

SIGNING STATEMENT

I am today signing H. R. 4073, the "Regional Development Act of 1975."

I had requested a simple extension of the Public Works and Economic Development Act for three years. The enrolled bill would authorize substantial increases in the appropriations for Title V programs.

In approving this bill I make no commitment to request additional funds for the programs authorized therein nor do I make any commitment to approve any appropriations for such programs in excess of the levels requested by the Administration.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

To -
J. Cavanaugh
12-29-75
10 A.M.



DEC 27 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 4073 - Regional Development Act of 1975
Sponsor - Rep. Jones (D) Alabama

Last Day for Action

December 31, 1975 - Wednesday

Purpose

To extend and amend the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act of 1965.

Agency Recommendations

Office of Management and Budget	Approval
Appalachian Regional Commission	Approval
Department of Commerce	Approval
Department of Housing and Urban Development	Approval
Department of the Interior	Approval
Department of Agriculture	Approval
Advisory Commission on Intergovernmental Relations	Approval
Department of Transportation	No objection
Department of Health, Education, and Welfare	No objection
Environmental Protection Agency	No comment
Federal Energy Administration	No comment
Energy Research and Development Administration	No comment

Discussion

H.R. 4073 provides authorizations for and amendments to two regional development Acts.

THE WHITE HOUSE
WASHINGTON
December 30, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: H.R. 4073 - Regional Development Act of 1975

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

THE WHITE HOUSE

WASHINGTON

December 29, 1975

MEMORANDUM FOR: JUDY JOHNSTON
FROM: JIM FALK *JF*
SUBJECT: H.R. 4073 Regional Development Act of
1975

I recommend approval.

I have talked with the National Governors' Conference and I know of no Governor who recommends a veto. The legislation as passed calls for a full house review next year and this will be mainly transition legislation. If signed, the President would provide the transition time necessary and still have full opportunity to mold the legislation early next year.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 1571

Date: December 29

Time: 1100am

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus
Jim Falk

cc (for information): Jack Marsh
Jim Cavanaugh
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: December 30

Time: noon

SUBJECT:

H.R. 4073 - Regional Development Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 12/30/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

DEC 30 1975

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 1571

Date: December 29

Time: 1100am

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus
Jim Falk
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: December 30

Time: noon 500 PM

SUBJECT:

H.R. 4073 - Regional Development Act of 1975

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Approved
JWS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 1571

Date: December 29

Time: 1100am

FOR ACTION: Paul Leach *oh*
Max Friederick *oh*
Ken Lazarus *oh*
Jim Falk *oh*
Pill Submittance oh

cc (for information): Jack Marsh
Jim Cavanaugh
Warren Haadriks

FROM THE STAFF SECRETARY

DUE: Date: December 30

Time: noon

SUBJECT:

H.R. 4073 - Regional Development Act of 1975

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnstong Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

DECEMBER 12, 1975.—Ordered to be printed

MR. RANDOLPH, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 4073]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4073) to extend the Appalachian Regional Development Act of 1965 for an additional two-fiscal-year period, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Regional Development Act of 1975".

TITLE I

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1975".

SEC. 102. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended by inserting "(a)" after "Sec. 2." and adding the following new subsection:

"(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated

planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services."

SEC. 103. Section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended as follows:

(1) The third sentence of subsection (a) is amended to read as follows: "Each State member shall be the Governor."

(2) The last sentence of subsection (a) is amended by striking the period and inserting the following: "for a term of not less than one year."

(3) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional or sub-regional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act."

(4) The first sentence of subsection (c) is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff."

(5) Subsection (c) is amended by adding at the end thereof the following: "A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings."

SEC. 104. Subsection (d) of section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended to read as follows:

"(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be com-

pensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State."

SEC. 105. Section 102 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 102) is amended by inserting "(a)" after "Sec. 102." and adding the following new subsection:

"(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia."

SEC. 106. Section 105(b) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended by adding at the end thereof the following new sentence: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed \$4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed \$800,000 shall be available for expenses of the Federal cochairman, his alternate and his staff); and not to exceed \$5,000,000 for the two-fiscal-year period ending September 30, 1979 (of such amount not to exceed \$900,000 shall be available for expenses of the Federal co-chairman, his alternate and his staff)."

SEC. 107. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1979".

SEC. 108. Paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by inserting after the first sentence the following: "The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign."

SEC. 109. Section 107 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 107) is amended by inserting "(a)" after "SEC. 107." and adding the following new subsection:

"(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings."

SEC. 110. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The third sentence of subsection (a) is amended by striking "two thousand seven hundred miles" and inserting in lieu thereof "two thousand nine hundred miles"; and the fourth sentence of subsection (a) is amended by striking "one thousand six hundred miles" and inserting in lieu thereof "one thousand four hundred miles".

(2) Subsection (g) is amended by striking "and \$180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof "\$250,000,000 for fiscal year 1978; \$300,000,000 for fiscal year 1979;

\$300,000,000 for fiscal year 1980; and \$170,000,000 for fiscal year 1981."

Sec. 111. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The second sentence of subsection (a) is amended by (A) inserting after "not operated for profit" the phrase ", or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services if the Commission finds that but for the acquisition of such facility such health services would not be otherwise provided in the area served by such facility," and (B) inserting after "made in accordance" the phrase "with section 223 of this Act and shall not be incompatible".

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B,".

Sec. 112. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a)(1) is amended by striking "and to control and abate mine drainage pollution." and inserting in lieu thereof "to control and abate mine drainage pollution; and for planning or engineering for any such activities."

(2) The first sentence of subsection (a)(2) is amended by inserting "planning, engineering, or" after "projects for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to, sand, clay, stone, culm, rock, spoil bank and noncombustible materials)" after "materials",

(4) Subsection (c) is amended to read as follows:

"(c) Whenever a State, local government, or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement."

(5) Subsection (d) is amended to read as follows:

"(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law to be used for public recreation, conservation, community facilities, or public housing."

Sec. 113. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally

insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under 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, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission."

(2) Subsection (c)(2) is amended to read as follows:

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary."

(3) Subsection (e) is amended by inserting before the period at the end, the following: "and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section".

(4) By adding the following new subsection (f):

"(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing."

Sec. 114. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b)(1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate areawide education planning, services, and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling. Projects shall be selected with the involvement of all sectors of the community, including industry and labor."

(2) Subsection (b)(2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3) (a) The first and third sentences of subsection (b)(3) are amended by striking out "vocational and technical".

(b) The fourth sentence of subsection (b)(3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b)(4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b) (5) is amended to read as follows:

"(5) No grant for planning, construction, equipment, or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body."

Sec. 115. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 Stat. 208); and title I of the Housing and Community Development Act of 1974."

Sec. 116. Clause (1) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended by striking "compatible" and inserting in lieu thereof "not incompatible". Clause (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows: "(2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies."

Sec. 117. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by adding at the end the following new subsection:

"(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State

within the region, will not be diminished in order to substitute funds authorized by this Act."

Sec. 118. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

"APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

"Sec. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within the region. The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning, including the procedures established by the State for the participation of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

"(b) (1) Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units of government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

"(2) The Commission shall encourage the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.

"(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and

organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities."

Sec. 119. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a) (1) is amended by striking "including technical services," and inserting in lieu thereof "including the development of areawide plans or action programs and technical assistance activities,".

(2) Subsection (a) is amended by striking "and" after paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph:

"(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and"

(3) Subsection (b) is amended to read as follows:

"(b) (1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources and the development and stimulation of indigenous arts and crafts of the region. No more than \$3,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year, and no more than \$2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.

"(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

"(3) The Commission shall conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on out-migration and the welfare of Appalachian migrants. The Commission is authorized to conduct pilot projects and demonstrations within the region in connection with such study.

"(4) The Commission shall conduct a study of physical hazards which are constraints on land use in the Appalachian region (with emphasis on mudslides, landslides, sink holes, and subsidence) and the risks associated with such hazards. To the extent practicable, such study shall identify high-risk hazard areas throughout the Appalachian region. The Commission shall submit its report on such study, together with recommendations for means to remove or avoid such constraints on land use, to the Congress not later than twenty-four months after the enactment of this paragraph."

SEC. 120. Section 303 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 303) is amended to read as follows:

"APPROVAL OF DEVELOPMENT PLANS, INVESTMENT PROGRAMS, AND PROJECTS

"SEC. 303. State and Regional Development Plans and implementing investment programs, and any multistate subregional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101(b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved implementing investment program; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and implementing investment program, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101(b) of this Act."

SEC. 121. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended by adding at the end thereof the following new sentence: "In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$340,000,000 for the period beginning July 1, 1975, and ending September 30, 1977, and \$300,000,000 for the two-fiscal year period ending September 30, 1979."

SEC. 122. (a) Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "July 1, 1975" and inserting in lieu thereof, "October 1, 1979".

(b) The Appalachian Regional Commission shall submit to Congress by July 1, 1977, a report on the progress being made on implementing section 2(b) of the Appalachian Regional Development Act of 1965, the energy related enterprise development demonstration authority in section 302 of such Act, and other amendments made by this title.

SEC. 123. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

SEC. 124. To the extent that any section of this title provides new or increased authority to enter into contracts under section 201 of the Appalachian Regional Development Act of 1965, such new or increased authority shall be effective for any fiscal year only in such amounts as are provided in appropriation acts.

TITLE II

Sec. 201. This title may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

Sec. 202. Section 509(d) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188(a)), as amended, is amended, to read as follows:

"(d) (1) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed \$225,000,000; and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed \$305,000,000; for the fiscal year ending June 30, 1974, to be available until expended, \$95,000,000; for the fiscal year ending June 30, 1975, to be available until expended, \$150,000,000; for the fiscal year ending June 30, 1976, to be available until expended, \$200,000,000; for the transition quarter ending September 30, 1976, to be available until expended, \$50,000,000; and for the fiscal year ending September 30, 1977, to be available until expended, \$250,000,000. After deducting such amounts as are authorized to carry out subsections (a) (1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the regional commissions which have been established for more than two fiscal years.

"(2) There are authorized to be appropriated to the Secretary as are necessary for the management and authorized activities under this title of any new commissions for their first two full fiscal years, for the fiscal year ending June 30, 1976, to be available until expended, not to exceed \$5,000,000; for the transition quarter ending September 30, 1976, to be available until expended, not to exceed \$1,250,000; and for the fiscal year ending September 30, 1977, to be available until expended, not to exceed \$5,000,000."

Sec. 203. Section 513 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"REGIONAL TRANSPORTATION

"Sec. 513. (a) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional transportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.

"(b) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to make grants for the planning of regional transportation networks and to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not

be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(c) No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.

"(d) Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section."

Sec. 204. Title V of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"ENERGY DEMONSTRATION PROJECTS AND PROGRAMS

"Sec. 515. (a) Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environmental costs to the regions experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economies could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

"(b) Each regional commission is authorized to carry out energy-related demonstration projects and programs within its regions including programs and projects addressing the social, economic, and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resource development, requirements, utilization, and impact. Each regional commission is authorized to carry out demonstration projects within its region in connection with the development and stimulation of indigenous arts and crafts of the region.

"(c) Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out the energy-related provisions of this section, and not to exceed \$2,500,000 of such funds

shall be expended in any one fiscal year for indigenous arts and crafts demonstrations.”

SEC. 205. Title V of such Act is further amended by adding the following new section at the end thereof:

“HEALTH AND NUTRITION DEMONSTRATION PROJECTS

“SEC. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, and nutrition projects including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the regional commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of 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 other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

“(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

“(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project.

For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approached by the regional commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section.”

SEC. 206. Title V of such Act is further amended by inserting at the end thereof the following new section:

“EDUCATION DEMONSTRATION PROJECTS

“SEC. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

“(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

“(c) Grants under this section for operation of components of vocational and technical educational demonstration projects, whether or not constructed by funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be

made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection."

SEC. 207. Each regional commission established pursuant to title V of the Public Works and Economic Development Act of 1965 shall submit to the Committees on Public Works of the Senate and House of Representatives within one hundred and twenty days after enactment of this Act the Regional Economic Development Plan required under section 503(a)(2) of the Public Works and Economic Development Act of 1965.

SEC. 208. (a) The second and third sentences of section 502(b) of the Public Works and Economic Development Act of 1965 are amended to read as follows: "Each State member shall be the Governor. The State members of the commission shall elect a cochairman of the commission from among their number for a term of not less than one year."

(b) Section 502(c) of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new sentence: "No decision involving commission policy, approval of regional development plan, implementing investment programs, or allocating funds among the States may be made without a quorum of State members present."

(c) The first sentence of section 502(d) of the Public Works and Economic Development Act of 1965 is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff."

(d) Such section 502(d) is further amended by adding at the end thereof the following new sentences: "A State alternate shall not be counted toward the establishment of a quorum of the commission in any instance in which a quorum of the State members is required to be present. No commission power or responsibility specified in the last sentence of subsection (c) of this section, nor the vote of any commission member, may be delegated to any person not a commission member or who is not entitled to vote in commission meetings."

SEC. 209. (a) Section 501(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3181), as amended, is amended by inserting "and the Commonwealth of Puerto Rico and the Virgin Islands and the States of California and Texas" after "with the exception of Alaska and Hawaii."

(b) Section 502(f) of such Act of 1965 (42 U.S.C. 3182) is amended by inserting after "Hawaii" the following "or the State of California or the State of Texas", and by striking out "either" and inserting in lieu thereof "any such".

(c) It is the intent of Congress that the Secretary of Commerce acting under authority of title V of the Public Works and Economic Development Act of 1965 should invite and encourage the formation of a regional commission for the region along the border with Mexico in the States of Texas, New Mexico, Arizona, and California.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
JOSEPH M. MONTOYA,
ROBERT MORGAN,
HOWARD BAKER,
ROBERT T. STAFFORD,
JAMES A. McCLURE,
Managers on the Part of the Senate.

ROBERT E. JONES,
JIM WRIGHT,
HAROLD T. JOHNSON,
ROBERT A. ROE,
WILLIAM H. HARSHA,
JOHN PAUL HAMMERSCHMIDT,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4073) to extend the Appalachian Regional Development Act of 1965 for an additional two-fiscal-year period, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I

SHORT TITLE

House bill

The short title of the House bill provides the legislation may be cited as the "Appalachian Regional Development Act Amendments of 1975."

Senate amendment

Provides the Act may be cited as the "Regional Development Act of 1975".

Section 101 provides title I may be cited as the "Appalachian Regional Development Act Amendments of 1975."

Conference substitute

Identical to Senate amendment as to the Act and to both House and Senate provisions as to the title.

EXTENSION OF COMMISSION EXPENSE AUTHORIZATION

House bill

Section 2 extends the authorization for expenses of the Appalachian Regional Commission not to exceed \$4 million for the period beginning July 1, 1975 and ending September 30, 1977. No more than \$750,000 of this amount is to be available for expenses of Federal Cochairman, his alternate and his staff. In addition, \$4 million is authorized for the two-fiscal-year period ending September 30, 1979. Of this amount, not more than \$750,000 is to be available for expenses of the Federal Cochairman, his alternate, and his staff.

Senate amendment

Section 106 of the bill increases to \$4,600,000 the authorizations for the period July 1, 1975, to September 1, 1977, for the Commission's administrative expenses, sufficient to cover pay and other cost increases, and would include a limitation of \$800,000 for expenses of the Federal Cochairman, his alternate, and staff.

Conference substitute

Extends these authorizations for four years with \$4,600,000 for the period July 1, 1975 through September 30, 1977 and \$5,000,000 for the next two-fiscal-year period. Not more than \$800,000 in the first period is available for the expenses of the Federal Cochairman his alternate, and his staff and not more than \$900,000 for that purpose in the second period.

OFFICE SPACE RENTAL

House bill

Extends the authority of the Commission to rent office space through September 30, 1979.

Senate amendment

Extends the authority of the Commission to rent office space through September 30, 1977.

Conference substitute

Same as the House provision.

HIGHWAY SYSTEM AUTHORIZATION EXTENSION

House bill

Increases highway authorizations from \$185,000,000 for fiscal year 1977 and \$180,000,000 for fiscal year 1978 to \$300,000,000 for the period beginning July 1, 1976, and ending September 30, 1977, and \$300,000,000 per year for fiscal years 1978, 1979, and 1980.

Senate amendment

Increases highway authorizations from \$180,000,000 for fiscal year 1978 to \$250,000,000 for that fiscal year and \$300,000,000 for fiscal year 1979, \$300,000,000 for fiscal year 1980, and \$170,000,000 for fiscal year 1981.

Conference substitute

Same as the Senate amendment.

EXTENSION OF AUTHORIZATIONS FOR OTHER PROGRAMS

House bill

Authorizes \$340,000,000 for the period July 1, 1975 through September 30, 1977, and \$300,000,000 for the two-fiscal-year period ending September 30, 1979 for programs other than the highway program.

Senate amendment

Authorizes \$267,000,000 for the two-fiscal-year period ending September 30, 1977 for programs other than the highway program.

Conference substitute

Same as the House provision.

TERMINATION DATE

House bill

Extends the termination date of the Act (other than the highway program) to October 1, 1979.

Senate amendment

Extends the termination date of the Act (other than the highway program) to October 1, 1977.

Conference substitute

Same as the House provision, except that the Appalachian Regional Commission is directed to submit to the Congress by July 1, 1977, a report on the progress being made in implementing section 2(b) of the Appalachian Regional Development Act, the energy-related enterprise development demonstration authority in section 302 of such Act, and other amendments made by this title.

STATEMENT OF PURPOSE

House bill

No comparable provision.

Senate amendment

Amends the statement of purpose of the Act recognizing current problems, particularly changes occurring in national energy requirements and production which affect the region, to establish the purpose of coordinating Federal, State, and local efforts toward (1) anticipating the effects on the region of alternative national energy policies and practices, (2) planning for the growth and change generated through the accelerated coal development so that it will further the social and environmental well-being of the region, and (3) implementing the activities of Federal, State and local governments in the region to better meet the special problems generated in the region through national energy policies.

Conference substitute

Same as the Senate amendment.

COMMISSION STRUCTURE AND OPERATION

House bill

No comparable provision.

Senate amendment

Makes the following amendments dealing with Commission membership, voting, and administrative powers: (1) Only the Governor may be a State member of the Commission; (2) Each State member may have a single alternate appointed by the Governor from among the members of his cabinet or his personal staff; (3) No decision involving Commission policy, approval of State, Regional or sub-

regional Development Plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States, may be made without a quorum of State members present; (4) A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present; (5) The approval of project and grant proposals shall be a responsibility of the Commission exercised in accordance with section 303. No Commission powers or responsibilities, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings; and (6) The term of the State Cochairman shall be at least one year.

Conference substitute

Same as the Senate amendment.

COMPENSATION

House bill

No comparable provision.

Senate amendment

The amendment increases the rating of the Federal Cochairman from level IV to level III of the Executive Schedule and the Alternate Federal Cochairman from GS-18 to level V on the Executive Schedule.

Conference substitute

Same as the Senate amendment.

COMMISSION FUNCTIONS

House bill

No comparable provision.

Senate amendment

The amendment specifies that the identification of subregional characteristics, needs and goals should be undertaken by the Commission.

Conference substitute

Same as the Senate amendment.

EXECUTIVE DIRECTOR

House bill

No comparable provision.

Senate amendment

The amendment reaffirms that the executive director is the chief administrative officer of the Commission staff.

Conference substitute

Same as the Senate amendment.

PUBLIC PARTICIPATION

House bill

No comparable provision.

Senate amendment

Section 107 of the Act is amended to require that public participation be provided for, encouraged, and assisted by the Commission, States, and local development districts.

Conference substitute

Same as the Senate amendment.

HIGHWAY MILEAGE REVISION

House bill

No comparable provision.

Senate amendment

The Senate amendment would authorize a 200-mile increase in developmental highway mileage, with a corresponding 200-mile decrease in local access roads, to provide corridors for a sector of the region which was not part of the Appalachian program when the original corridors were established.

Conference substitute

Same as the Senate amendment.

DEMONSTRATION HEALTH PROJECTS

House bill

No comparable provision.

Senate amendment

Makes the following amendments to section 202: (1) To allow acquisition of facilities previously operated for profit where that is the most cost-effective way of providing increased health services, (2) to clarify that Commission determination on need for a project is controlling once HEW establishes compatibility with basic HEW legislative authority, and (3) to add reference to title XX of the Social Security Act, enacted since the 1971 Appalachian Act amendments.

Conference substitute

Same as the Senate amendment with the additional requirement that acquisition of facilities previously operated for profit requires a finding by the Commission that but for this acquisition the health services would not otherwise be provided in the area served by the facility.

MINING AREA RESTORATION

House bill

No comparable provision.

Senate amendment

Amends section 205 of the Act relating to mine area restoration to allow separate grants for planning or engineering projects; to make cover materials eligible project costs; to allow waivers wherever a State, local government or other nonprofit applicant agrees to indemnify the Federal Government, for all claims of loss or damage resulting from the use and occupation of lands for projects assisted under section 205.

It also amends section 205 to allow reclamation on lands owned by private nonprofit entities for public recreation, conservation, community facilities and public housing.

Conference substitute

Same as the Senate amendment.

HOUSING

House bill

No comparable provision.

Senate amendment

Amends section 207 of the Act to expand the types of housing programs which may be assisted with "seed money" grants or loans to include any Federal or State low- or moderate-income housing assistance program; to include limited dividend or cooperative organizations as eligible for assistance; to allow up to 10 percent of the value of rehabilitated housing for off-site improvements for housing rehabilitation projects; and to authorize funds for States to make similar assistance to that under section 207.

Conference substitute

Same as the Senate amendment.

VOCATIONAL AND TECHNICAL EDUCATION PROJECTS

House bill

No comparable provision.

Senate amendment

Amends section 211 of the Act to broaden the scope of areawide demonstration projects from strictly vocational and technical education projects to include projects for career education, cooperative and recurrent education, and guidance and counseling.

A second amendment makes clear that the present requirement for public ownership does not preclude training and on-the-job employment activities away from facilities of a demonstration project if the project is administered by a public body.

Conference substitute

Same as the Senate amendment.

SUPPLEMENTARY GRANTS

House bill

No comparable provision.

Senate amendment

Amends section 214 of the Act to include additional Federal grant-in-aid programs as eligible for supplementation. These include titles I and IX of the Public Works and Economic Development Act of 1965, as amended.

Conference substitute

Same as the Senate amendment.

PROGRAM IMPLEMENTATION

House bill

No comparable provision.

Senate amendment

Amends section 223 of the Act to require a determination that the program or project authorized under the title has been determined to be not incompatible with the provisions and objectives of Federal laws before implementation of that program or project and to require the Commission to determine it meets the requirements of sections 224 and 225 of the Act, which determination is to be controlling and accepted by Federal agencies.

Conference substitute

Same as the provisions of the Senate amendment.

The Congress designed the Appalachian Regional Development Act of 1965 so that in many of the programs under the Act (such as those authorized in sections 202, 204, 205, 207, 211, and 214), the supplemental or special basic grant assistance approved by the Commission is subsequently extended to the grantee through the framework of Federal grant-in-aid programs administered by Federal departments and agencies. Section 116 of the Conference Report provides further clarification that the responsible Federal official shall review such grants only to determine that they are not incompatible with the provisions and objectives of the framework laws which he administers. In making this modification, however, it is intended that the Federal official administering the framework program through which the Appalachian Act assistance is provided, shall continue to discharge responsibility for assuring that such grants are not incompatible with other Federal laws such as, for example, the National Environmental Policy Act. Thus, the conferees intend, in such cases, that the department or agency responsible for the basic program would make such reviews and assessments as might be required by the National Environmental Policy Act.

PROGRAM CRITERIA

House bill

No comparable provision.

Senate amendment

Amends section 224 of the Act by adding a new subsection which reemphasizes that programs and projects may be funded under this Act only if the Commission has determined that the funds will not diminish the level of effort by the State in its Appalachian counties in order to substitute funds authorized by this Act.

Conference substitute

Same as the Senate amendment.

PLANNING PROCESS

House bill

No comparable provision.

Senate amendment

Amends the Act to add a new section 225 requiring a State Development Plan. These Plans are to (a) describe the State organization for Appalachian development planning, including the procedures established for the participation of local development districts in the process and the means for relating the process to State planning and budgeting and coordinating it with other Federal, State and local programs; (b) set forth the goals, objectives, and priorities of the State for the region; and (c) describe the development program for achieving the goals and objectives, including funding sources and recommendations for specific projects. Plans would be revised annually, and an implementing investment program would be submitted by each State.

Conference substitute

Same as the Senate amendment.

ADMINISTRATIVE EXPENSE GRANTS AND RESEARCH AND DEMONSTRATIONS

House bill

No comparable provision.

Senate amendment

Amends section 302 of the Act to provide assistance in preparing State development plans as well as specifying that grants for administrative expenses of local development districts may include costs for development of areawide plans or action programs and technical assistance activities.

It also authorizes a new, limited demonstration program in the area of energy-related enterprise development in subsection (b) of section 302. For purposes of the new demonstration authority, the restrictions in section 224(b)(2), (3) and (4) are waived which preclude the use of Commission funds for financing industrial facilities or working capital, or the cost of facilities for the generation, transmission, or distribution of electric energy or gas.

Another provision directs the Commission to conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on out-migration and the welfare of Appalachian migrants. In carrying out this study, the Commission may undertake pilot projects and demonstrations within the region. A third provision also directs a study of physical hazards which are constraints on land use (with strong emphasis on mudslides, landslides, sink holes and subsidence) and the risks associated with these hazards. The study is to provide identification of high-risk hazard areas throughout the Appalachian Region.

Conference substitute

Same as the Senate amendment with the additional authorization to the Commission to carry out demonstration projects, at not to exceed \$2,500,000 per fiscal year, for development and stimulation of the indigenous arts and crafts of the region.

APPROVAL OF DEVELOPMENT PLAN, INVESTMENT PROGRAM, AND PROJECTS

House bill

No comparable provision.

Senate amendment

The amendment rewrites section 303 of the Act to provide that State Development Plans, the Regional Development Plan, and implementing investment programs must be approved by the Commission as in accordance with the Regional Development Planning Process. Once a State Development Plan is approved, the submission and approval of a project by a State, when joined by an affirmative vote of the Federal Cochairman for such project, shall be deemed to satisfy the requirements for affirmative votes for decisions in section 101 (b).

Conference substitute

Same as the Senate amendment.

REPEAL

House bill

No comparable provision.

Senate amendment

The amendment repeals section 104 of the Public Works and Economic Development Act of 1965, which now prevents cooperative funding of Appalachian Regional Commission and Economic Development Administration projects.

Conference substitute

Same as the Senate amendment.

LIMITATIONS

Conference substitute

Contains a provision limiting new or increased authority to enter into contracts under section 201 of the Appalachian Regional Development Act to only such amounts as are provided in appropriation Acts.

TITLE II

SHORT TITLE

House bill

No comparable provision.

Senate amendment

Provides Title II may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

Conference substitute

Same as the Senate amendment.

AUTHORIZATIONS FOR COMMISSIONS

House bill

No comparable provision.

Senate amendment

Amends Section 509(d) of the Public Works and Economic Development Act (hereinafter stated as Act) to increase the authorization to carry out the Title for the fiscal year 1976 from 150 to 200 million dollars and 50 million dollars for the transition quarter ending September 30, 1976. It authorizes 250 million dollars for the fiscal year 1977. After deducting the amounts required by the Secretary to carry out the administration and technical assistance, the Secretary is to apportion the remainder of sums appropriated to the existing seven Commissions based on the following formula:

14 percent on the basis of equality of the Seven Regional Commissions.

14 percent on land area.

28 percent on the basis of population.

44 percent on the basis of per capita income (weighted inversely).

All funds are to be apportioned prior to the end of the fiscal year.

Conference substitute

Same as the Senate amendment except the formula for allocating appropriated funds to the regions is deleted. Funds authorized by the Senate amendment are to be allocated to the regional commissions which have been established for more than two fiscal years. An additional \$5,000,000 for fiscal year 1976, \$1,250,000 for the transition period, and \$5,000,000 for fiscal year 1977 is authorized for the management and authorized activities of new commissions that may be established by the Secretary, for their first two fiscal years.

For fiscal year 1976 funds were allocated to the regional commissions in accordance with the formula which was contained in the Senate amendment. It is the intent of the conferees that the Secretary of Commerce utilize the same formula for fiscal year 1977 for the existing regional commissions. The Senate Committee on Public Works and the House Committee on Public Works and Transportation will evaluate the formula with the goal of devising a permanent formula for future fiscal years.

REGIONAL TRANSPORTATION DEMONSTRATION PROJECTS

House bill

No comparable provision.

Senate amendment

Amends Section 513 of the Act to authorize each Commission to conduct studies and investigations of the transportation needs of the region. Each Commission can make grants for planning, construction, purchase of equipment and operation for transportation demonstration projects. Planning grants may be up to 100% of costs. Grants for construction, equipment and operation are authorized for up to 80% of costs. Not more than 5 million dollars of the funds apportioned to each region can be expended in any one fiscal year to carry out this section.

Conference substitute

Same as the Senate amendment.

The new authorities contained in sections 513, 515, 516, and 517 of the Conference substitute are intended to provide each commission additional tools to carry out its mission of economic development.

ENERGY DEMONSTRATION PROJECTS AND PROGRAMS

House bill

No comparable provision.

Senate amendment

Adds a new section 515 to the Act to authorize grants for energy related demonstration projects and programs. Not more than 5 million dollars of the apportioned funds to each Regional Commission may be expended in any fiscal year for the purpose of carrying out this section.

Conference substitute

Same as Senate amendment except that, in addition, it authorizes each Commission to carry out demonstration projects, not to exceed \$2,500,000 per Commission per fiscal year, for the development and stimulation of the indigenous arts and crafts of the region.

HEALTH AND NUTRITION DEMONSTRATION PROJECTS

House bill

No comparable provision.

Senate amendment

Adds a new Section 516 to the Act which authorizes grants for multi-county demonstration health projects. Grants may be used for planning, construction, equipment, and operation or projects similar to those authorized by the Appalachian Regional Development Act. Construction and equipment grants may not exceed 80% of cost. Grants for the operation may be up to 100% of cost for the first two years and 75% of cost for next three years of operation.

Conference substitute

Same as the Senate amendment.

EDUCATION DEMONSTRATION PROJECTS

House bill

No comparable provision.

Senate amendment

Adds a new section 517 to the Act to authorize grants for planning, construction, equipping and operating vocational and technical education projects which will serve to demonstrate area-wide educational planning services and programs. Construction and equipment projects may not exceed 80% of cost. Grants for operation may be up to 100% of cost for the first two years and 75% of cost for the next three years.

A planning grant for the development of a demonstration project may not exceed 75% of such expenses. All projects must be for publicly owned facilities. Funds for projects under this section may be combined with the funds available under other Federal grant-in-aid programs.

Conference substitute

Same as the Senate amendment.

REVIEW OF REGIONAL DEVELOPMENT PLANS

House bill

No comparable provision.

Senate amendment

Each Regional Commission must submit to each Committee on Public Works within 120 days after enactment of this Act their regional development plan. The Committee must study and review the plans to determine their conformity to the purposes of the Act.

Conference substitute

Same as the Senate amendment except that the last sentence of the section requiring Committee study and review of plans was deleted. A review of such plans by the Committees will form the basis for additional legislative changes tailored to the needs of particular regions.

STRUCTURE AND OPERATION OF COMMISSIONS

Conference substitute

The conferees agreed to amend section 502 of the Act to make applicable similar changes in the commission structure and operation of the Title V Regional Commissions as were made to the Appalachian Commission by amendments to the Appalachian Regional Development Act. The amendment makes the following changes dealing with commission membership, voting, and administrative powers: (1) Only the Governor may be a State member of the Commission; (2) Each State member may have a single alternate appointed by the Governor from among the members of his cabinet or his personal staff; (3) No decision involving Commission policy, approval of the Regional Development Plan or implementing investment programs, or any allocation of funds among the States, may be made without a quorum of State members present, (4) A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present; (5) No Commission powers or responsibilities, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings; and (6) The term of the State Cochairman shall be at least one year.

DESIGNATION OF REGIONAL COMMISSIONS

Conference substitute

The conferees agreed to amend section 501 of the Act to add California, Texas, the Commonwealth of Puerto Rico and the Virgin Islands as exceptions to the requirement that a region must be within

contiguous States to be designated as an "economic development region".

Section 502 is amended to permit the Secretary to designate single State Commissions for the State of California or the State of Texas if they otherwise meet the requirements for an economic development region. Congressional intent is also expressed that the Secretary encourage formation of a regional commission along the Mexican border in the States of Texas, New Mexico, Arizona and California.

These border areas in both the United States and Mexico historically have suffered severe economic depression. By most statistical accountings, all indices of economic deprivation—unemployment—illiteracy—low median family income—fully qualify this region as being more economically depressed than other areas where regional commissions have been established.

PRESIDENTIAL REVIEW

House bill

No comparable provision.

Conference substitute

Requires the President to review the structure and authorities of Title V Regional Planning Commissions and then report to Congress his recommendations concerning the Commissions not later than six months after the enactment of this Act.

Conference substitute

Since both Committees will be considering further extensions and amendments to the Act within the next few months, the conferees agreed to delete this provision and reconsider it at a later time.

TITLE OF THE BILL

Conference substitute

The conference substitute adopts the amendment of the Senate to the title of the bill since it more accurately reflects the text as proposed in the conference substitute.

JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
JOSEPH M. MONTOYA,
ROBERT MORGAN,
HOWARD BAKER,
ROBERT T. STAFFORD,
JAMES A. McCLURE,
Managers on the Part of the Senate.
ROBERT E. JONES,
JIM WRIGHT,
HAROLD T. JOHNSON,
ROBERT A. ROE,
WILLIAM H. HARSHA,
JOHN PAUL HAMMERSCHMIDT,
Managers on the Part of the House.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

MAY 12, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. JONES of Alabama, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 4073]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 4073) to extend the Appalachian Regional Development Act of 1965 for an additional two-fiscal-year period, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause and inserts in lieu thereof a substitute text which appears in italic type in the reported bill.

GENERAL STATEMENT

The special needs of the Appalachian Region were recognized by Congress in 1965 when it passed the Appalachian Regional Development Act. Amendments to the Act were enacted in 1967, 1969 and 1971. This bill (H.R. 4073) would increase the authorization for fiscal years 1977 and 1978 and would authorize a two-year extension for the Appalachian Highway program and a four-year extension of the non-highway programs. This bill will continue a unique and innovative program that has in the past decade helped people in a 13-state region to develop more effective governmental institutions and basic public facilities that promote their participation in the growth and development of the American economy.

Testimony has clearly shown progress and solid achievements have occurred during the past ten years.

The Appalachian program has made advancements in improving the quality of life for the people on the region in diversifying the economy and in providing badly-needed public works facilities. Under the Appalachian Regional Development Act innovative governmental mechanisms have been developed in all of the Appalachian states. Local development districts have enabled local units of government

to more effectively participate in building a better future within the unique federal-state partnership.

The Appalachian Regional Commission has provided the framework for a joint federal-state decision-making process, while identifying appropriate roles for each level of government. Through the Commission structure each state member, represented by the Governor or his designee, has participated jointly with the Federal Government in formulating regional development policies and programs regarding Federal grant assistance and have exercised the authority to approve programs and projects which are consistent with the States' Appalachian development plans. In addition, the States have worked closely with the local development districts in identifying local priority needs and in developing programs and projects to meet these needs. The unique relationship between the federal-state and local governments in determining Appalachian regional development policies has proven its effectiveness over the past decade.

Progress has been made toward realizing the goals set forth when the Appalachian Act was passed in 1965. During the past decade, incomes have increased, the number of jobs has substantially grown, out-migration has been reversed, and the levels of health and education have improved. Commission figures show that Appalachia's poverty population has decreased since 1960 from 31 percent of the total population to 18 percent.

Since 1970, the region has gained an average of 78,000 persons per year through in-migration. Between 1965 and 1972, Appalachia was able to decrease its unemployment rate substantially with an increase of 744,500 jobs in the region. Although there are still wide disparities in per capita income, the Region has increased both relative and absolute per capita income: between 1965 and 1972 Appalachian per capita income increased by 69 percent. In the areas of health and education, Appalachia has also made advances. In 1970, 44 percent of Appalachia's adult population had a high-school education; whereas, in 1960 only one-third of the region's adult population had completed high school. In 1971, the average number of physicians in the region had increased to 100 per 100,000 residents from a previous low of 92 per 100,000 residents in 1963. Despite the improvements in the availability of health facilities and the delivery of health and child development services in many areas of Appalachia, serious health deficiencies still exist. There is a need for more emphasis on health care delivery, particularly basic and preventive health programs focused on underserved areas in Appalachia.

The Appalachian Regional Commission is uniquely qualified to participate in the formulation of regional energy policy. Much of the regional development and national energy objectives depend upon the transportation capacity of the Appalachian region. While the crucial needs of our country and much of Appalachia's future are significantly related to the development of its coal resources, there must also be a concurrent diversification of industry and provision for public facilities and services to ensure the region a sound, self-sustaining economy after coal mining peaks and declines.

The Subcommittee on Economic Development held hearings on H.R. 4073, to receive testimony on the Appalachian Regional Development programs and the proposed extension of authorizations for the Appalachian Regional Development Act of 1965, as amended.

Testimony was received from numerous witnesses including three Appalachian governors, the Honorable Julian Carroll, Governor of Kentucky and the States' Cochairman of the Appalachian Regional Commission, the Honorable Milton Shapp, Governor of Pennsylvania, and the Honorable Arch Moore, Jr., Governor of West Virginia. Other witnesses included the Federal Cochairman of the Appalachian Regional Commission and individuals who have been closely associated with the Appalachian programs, on the local and State levels. Written statements were received from other Appalachian governors, mayors, local citizens and organizations vitally concerned with the development activities in the region.

The Application Commission should undertake an in-depth evaluation of energy needs in Appalachia, not only the potential impact of the extraction and production of coal in the region, but also the relationship of Appalachia's socio-economic needs and the energy requirements of the rest of the nation.

SECTION-BY-SECTION ANALYSIS OF H.R. 4073, AS REPORTED

Section 1 cites the Act as the "Appalachian Regional Development Act Amendments of 1975."

Section 2 amends Sec. 105 to extend authorization of expenses of the Appalachian Regional Commission not to exceed \$4 million for the period beginning July 1, 1975 and ending September 30, 1977. No more than \$750,000 of this amount is to be available for expenses of Federal Cochairman, his alternate and his staff. In addition, \$4 million is authorized for the two fiscal year periods ending September 30, 1979. Of this amount, not more than \$750,000 is to be available for expenses of the Federal Cochairman, his alternate, and his staff.

Section 3 amends Sec. 106 to extend authority of Commission to rent office space through September 30, 1979.

Section 4 amends Sec. 201 to increase highway authorizations from \$185 million for fiscal year 1977 and \$180 million for fiscal year 1978 to \$300 million for the period beginning July 1, 1976, and ending September 30, 1977, and \$300 million in fiscal year 1978. It also authorizes \$300 million for each of fiscal years 1979 and 1980.

Section 5 amends Sec. 401 to authorize \$340 million for the period beginning July 1, 1975, and ending September 30, 1977, and \$300 million for the two fiscal year periods ending September 30, 1979, for the nonhighway programs.

Section 6 amends Sec. 405 to extend the termination date of Act, except for highway programs to October 1, 1979.

COMPLIANCE WITH CLAUSE 2(1) OF RULE XI OF THE RULES OF THE HOUSE OF REPRESENTATIVES

(1) With reference to clause (2)(1)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter of this legislation by the Subcommittee on Investigations and Review. However, the Subcommittee on Economic Development held hearings on this subject matter which resulted in the reported bill.

(2) With reference to clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the committee has not received an

estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act.

(3) With reference to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has not received a report for the Committee on Government operations pertaining to this subject matter.

(4) With reference to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the following information is provided:

The effect of carrying out H.R. 4073, as reported, should be minimal with respect to prices and costs. The funds under this program are directed into an economically depressed region of the country. The funds are used for projects designed to assist in the economic recovery of the region.

The Appalachian Regional Development Programs have been under way since 1965. H.R. 4073 continues existing programs at substantially existing levels of authorizations, except that the authorizations for the highway programs are increased to compensate for the increased costs of highway construction.

Accordingly, the enactment of H.R. 4073, as reported, will not have an inflationary impact on prices and costs in the operation of the national economy.

COSTS OF THE LEGISLATION

In accordance with rule XIII(7) of the Rules of the House of Representatives, the estimated costs to the United States which would be incurred in carrying out H.R. 4073 in the fiscal year which it is reported and in each of the years following such fiscal year are as follows:

1975	-----	0
1976	-----	\$152,000,000
1977	-----	307,000,000
1978	-----	272,000,000
1979	-----	452,000,000
1980	-----	300,000,000
Total	-----	1,483,000,000

Thus, the total cost of H.R. 4073, as reported, to the United States would be \$1,483,000,000.

For the purpose of this estimate, the authorization for administrative expenses included in Section 2 of H.R. 4073, as reported, was allocated as follows:

Fiscal year:		
1976	-----	\$2,000,000
1977	-----	2,000,000
1978	-----	2,000,000
1979	-----	2,000,000

¹ This includes the 3-month transitional period, July 1 to Sept. 30, 1977.

For the purpose of this estimate, the authorizations included in Section 5 of H.R. 4073, as reported, was allocated as follows:

Fiscal year:		
1976	-----	\$150,000,000
1977	-----	190,000,000
1978	-----	150,000,000
1979	-----	150,000,000

¹ This includes \$40,000,000 for the 3-month transitional period, July 1 to Sept. 30, 1977.

The estimate of costs is based on the authorization for each fiscal year rather than on anticipated obligations or expenditures of funds.

VOTE

The committee ordered the bill reported by voice vote.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

* * * * *

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

* * * * *

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) To carry out this section there is hereby authorized to be appropriated to the Commission to be available until expended, not to exceed \$1,900,000 for the two-fiscal-year period ending June 30, 1971. To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed \$2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed \$525,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff), and not to exceed \$3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed \$575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff.) *To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed \$4,000,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed \$750,000 shall be available for expenses of*

the Federal Cochairman, his alternate, and his staff), and not to exceed \$4,000,000 for the two-fiscal-year period ending September 30, 1979 (of such amount not to exceed \$750,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefits programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than **[June 30, 1975]** *September 30, 1979*), cooperating agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

* * * * *

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereinafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand six hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code), in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the

maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, \$175,000,000 for the fiscal year ending June 30, 1971; \$175,000,000 for the fiscal year ending June 30, 1972; \$180,000,000 for the fiscal year ending June 30, 1973; \$180,000,000 for the fiscal year ending June 30, 1974; \$185,000,000, for the fiscal year ending June 3, 1975; \$185,000,000 for the fiscal year ending June 30, 1976; ~~[\$185,000,000 for the fiscal year ending June 30, 1977; and \$180,000,000 for the fiscal year ending June 3, 1978]~~ *\$300,000,000 for the period beginning July 1, 1976, and ending September 30, 1977; \$300,000,000 for the fiscal year 1978; \$300,000,000 for the fiscal year 1979; and \$300,000,000 for the fiscal year 1980.*

* * * * *

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$268,500,000 for the two-fiscal-year period ending June 30, 1971; \$282,000,000 for the two-fiscal-year period ending June 30, 1973; and \$294,000,000 for the two-fiscal-year period ending June 30, 1975. *In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201 (g) for the Appalachian Development Highway System and Local Access Roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$340,000,000 for the period beginning July 1, 1975, and ending September 30, 1977, and \$300,000,000 for the two-fiscal-year period ending September 30, 1979.*

* * * * *

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act, other than section 201, shall cease to be in effect on ~~[July 1, 1975]~~ *October 1, 1979.*



REGIONAL DEVELOPMENT ACT OF 1975

REPORT
OF THE
COMMITTEE ON PUBLIC WORKS
UNITED STATES SENATE
TOGETHER WITH
ADDITIONAL VIEWS
TO ACCOMPANY
S. 1513



JULY 14 (legislative day, JULY 10), 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

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(III)

REGIONAL DEVELOPMENT ACT OF 1975

JULY 14 (legislative day, JULY 10), 1975.—Ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1513]

The Committee on Public Works, to which was referred the bill (S. 1513) to extend the Appalachian Regional Development Act of 1965, to increase authorizations for the Title V Regional Action Planning Commissions, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

GENERAL STATEMENT

REGIONAL DEVELOPMENT LEGISLATION

In the early 1960's, the Congress recognized that several geographic regions had been by-passed by the general prosperity and growth of the Nation. The causes of distress in affected regions varied. In some areas natural resources were depleted. Other regions dependent on a single industry suffered because of technological change, competition or obsolescence. Still other areas were affected by adverse patterns of migration. Whatever the underlying cause, these regions had fallen substantially behind the rest of the country and chronic depression developed, often extending beyond the boundaries of single states. Special attention and effort in stagnating areas were considered necessary if decline was to be halted and regional economies lifted to a level close to the rest of the nation.

Earlier efforts had been made to assist people in these areas. Investments had been made and other assistance provided but these were

usually fragmented and uncoordinated. Because needs were so great, change could only take place if efforts were coordinated to implement agreed-upon regional strategies and priorities in ways that had not been attempted in the past. Scarce resources could then be focused on the highest priorities, building a foundation to support future growth. Investments would complement and support each other, building a unified base for the region.

In addition, because the cost of overcoming gaps in services and facilities far exceeded the existing resources and capacity of any one level of government alone, coordination of investment decisions among the several jurisdictions was imperative.

To carry out an effective program of assistance in these distressed regions, Congress authorized the creation of multi-state regional commissions in 1965 through enactment of the Appalachian Regional Development Act and the Public Works and Economic Development Act. These commissions—partnerships of the States and the Federal Government—have been considered an innovative experiment in inter-governmental cooperation since their establishment and have helped to bring cohesion and direction to regional assistance.

As created by the Congress, the Commissions have several functions: Under the guidance of the Governors of the States involved, a Commission's primary responsibility is to develop regional policy addressing the common problems identified when the region was established. Commissions provide the cooperative structure for identifying particular obstacles in each region, framing strategies and establishing priorities.

To carry out a regional investment strategy, a Commission provides assistance in assembling, from the array of available existing authorities, those programs and projects to 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.

The Commission also is a repository of information and knowledge on the characteristics and resources of the region, information essential to identifying problems and needs, and expertise useful in establishing priorities and designing solutions. It should be the focal point for initiation of new ideas and approaches on policies and programs as they affect the region.

Each Commission is provided authority to augment the investment activities of the Federal Government. Particularly important is the ability to supplement other Federal programs, to direct funds into poor areas and to guide other investments. Commission programs are intended to provide flexibility to initiate action, to serve as a catalyst, and to be a coordinating mechanism in the region.

It must function as the forum in which regional issues are analyzed and debated, where accommodations are negotiated among the Chief Executive of States, and political innovation and leadership are applied. The Commission and its staff must not become a bureaucracy concerned solely with processing grant applications and distributing Federal funds to the States. Instead, it should be a creative resource providing fresh ideas and program innovations for the region's problems. This unique characteristic of the Commission can only be maintained by the active and continuing participation by the Governor members.

Over the years, different views and approaches to the responsibilities and operation of Commissions have evolved. They represent ideas which must be carefully balanced against the objectives originally sought to be achieved through national legislation. For example, the goal of enhanced State involvement in regional development, and the need for improved coordination and administration in meeting area-wide problems, should not be supplanted by an emphasis on the Commission as a conduit for additional Federal-aid. Neither are Commissions to perform the functions of Administrative Regions. The Committee will continue to review the functions of these Commissions and their roles. At this time, the Committee believes the original purposes and objectives of the Commissions should be reaffirmed.

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 and extensions of the Act in 1967, 1969, and 1971. The 1975 Amendments continue a program that for a decade has helped people of a 13-State region develop the base of institutions and public facilities essential to growth and development.

The problems that confronted Appalachia in the early 1960's were deep-seated and intractable. Appalachia was cut off from the rest of the Nation. The States, with their low tax bases, could not afford to construct mountain highways. Nor could they provide the range of social services found elsewhere in the country. Appalachia's sparse and often outdated hospitals had little to attract doctors. The predominately rural and financially poor school systems had similar problems attracting teachers. Vocational education and adult training were practically nonexistent.

Coal production, the economic lifeblood of the region, was down. Mechanization multiplied the loss of jobs caused by the closing of many mines. Wide unemployment was almost twice the national average; per capita income was 65 percent of the national average; one out of every three families existed on an annual income of less than \$3,000; and in central Appalachia the situation was far more severe. Beset by problems clearly beyond local capabilities, Appalachia was lagging ever further behind a growing Nation—despite its wealth of natural resources, its key location between the eastern and midwestern markets, and its characteristically independent people.

The major goal was to bring Appalachia back into the mainstream of the Nation's economy.

The Appalachian program was innovative from the beginning. While it has experienced some setbacks and had its share of criticism, the program has worked well.

Isolation was a prime contributor to the region's economic and social distress; accessibility is now improved by completion of over half the routes in the Appalachian Development Highway System. As of March 31, 1975, construction had been completed on 1,892 miles of the 2,700 mile highway network, engineering or right-of-way acquisition were underway on 414 additional miles.

The innovative health program has brought quality health care to thousands of residents in the demonstration areas. The nationally-

PURPOSE OF THE LEGISLATION

S. 1513, as reported, extends the Appalachian Regional Development Act for 2 years, until September 30, 1977, and authorizes for the 2-fiscal-year period the sum of \$267 million for the provision of essential health, education, and other public services. New demonstration authority is provided to address the social, economic and environmental effects of expanded energy production.

To facilitate completion of the Appalachian Development Highway System, the bill extends the highway portion of the program three years beyond its present termination date of fiscal year 1978, until September 30, 1981, and authorizes appropriations as follows:

Fiscal year :	
1978 -----	\$250,000,000
1979 -----	300,000,000
1980 -----	300,000,000
1981 -----	170,000,000

Other significant changes and additions to the Appalachian Regional Development Act are discussed elsewhere in this report.

The legislation also gives the Regional Commissions authorized by Title V of the Public Works and Economic Development Act of 1965 statutory status comparable to that enjoyed for the past decade by the Appalachian Regional Commission. The Committee concluded that: (1) The authority of the Title V Regional Action Planning Commissions should be expanded and their funds increased to enable them to begin to undertake functions of the magnitude of the Appalachian Regional Commission, and (2) the Title V Commissions should receive substantially larger Federal appropriations to carry out the responsibilities, both old and new, which the Congress has given them.

The bill extends Title V of the Public Works and Economic Development Act of 1965 for one year beyond its present expiration date of June 30, 1976, and increases the authorization for the fiscal year ending June 30, 1976, to \$200,000,000; authorizes \$50,000,000 for the transition quarter ending September 30, 1976; and \$250,000,000 for the fiscal year ending September 30, 1977. An apportionment of these appropriations among the seven regional commissions is to be made on the basis of the following formula:

- 14 percent based on equality of the seven regional commissions;
- 14 percent based on land areas of regional commissions;
- 28 percent based on population of areas within regional commissions; and
- 44 percent based on per capita income or areas served by regional commissions (weighted inversely).

This legislation extends the authorizations of the Appalachian and Title V Regional Commissions so that they both expire on the same date.

The Subcommittee on Economic Development conducted four days of public hearings in Washington on legislation to extend the Appalachian Regional Development Act, including S. 1513, the Administration bill; H.R. 4073, the House-passed bill; and a draft bill submitted in March by the State members of the Appalachian Regional Commission.

Testimony was received from 20 witnesses including the State Co-chairman of the Appalachian Regional Commission and two other governors from the region. Others testifying included Federal and Commission officials, local development district representatives, program participants and public witnesses.

The hearings held on March 10, 11, and 12, 1975, produced a valuable record on the progress of the Appalachian Regional Development Program. Those hearings, however, raised a substantial number of questions which the committee was not able to address to witnesses as they testified. The committee believed it was important to obtain responses before the hearing on June 3, 1975. Answers were received during May, 1975, and have been printed as an appendix to the hearing record.

On June 4, 1975, the subcommittee conducted a hearing on the role and function of the Title V Regional Action Planning Commissions in regional development. Testimony on S. 1189, a bill to establish a regional impact and development assistance program, was received from Senators and other witnesses representing State and local governments and from experts in the fields of transportation and energy.

MAJOR PROVISIONS

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS

Commission structure and operation

The committee recommends several amendments to section 101 of the Act designed to enhance the participation of the region's Governors as active Members of the Commission. The committee has adopted the following amendments dealing with Commission membership, voting, and administrative powers: (1) Only the Governor may be a State member of the Commission; (2) Each State member may have a single alternate appointed by the Governor from among the members of his cabinet or his personal staff; (3) No decision involving Commission policy, approval of State, Regional or subregional Development Plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States, may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission; (4) A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings; and (5) The term of the State Cochairman shall be at least one year. (The latter amendment, providing a longer term for the State Cochairman, is, of course, prospective, since the current State Cochairman will be ineligible to serve beyond the expiration of his term as Governor.)

The committee stresses that these amendments are to insure the Governors' control and participation in Commission decisionmaking. A valuable aspect of the Governors' contribution to the Commission's work is personal attendance at Commission meetings. The recommended amendments do not specify any minimum number of Commission meetings each year which Governors must personally attend. Instead, the amendments define which decisions of the Commission are basic to its intended concept and must be made with a quorum of Governors present. The Governors then are free to meet personally with the Commission as often or as infrequently as necessary to accomplish these basic tasks. Ordinarily, however, this is likely to take more than two meetings per year. A State's single designated alternate may vote in the absence of the Governor at a meeting at which a quorum of Governors is required, but the alternate does not count toward establishing that quorum.

The effect of these amendments is to return to the Commission—a forum of Governors meeting with a Presidentially-appointed Federal representative—functions that have recently been exercised by the Executive Committee. The Public Works Committee is not satisfied that the Commission's proper functioning requires an Executive Com-

mittee, but is willing to leave to the Commission the decision whether, in fact, such a mechanism is needed. Should the Commission elect to establish an Executive Committee, however, the committee intends that the State vote on any Executive Committee be cast only by the Governor serving as State Cochairman or, of course, a number of Governors. An Executive Committee might for example prepare Commission meeting agenda, provide policy interpretations upon request by the staff, and perform other duties specifically delegated to it by the Commission.

To implement these amendments, the Commission will need to substantially revise the Code adopted in the past. All of the portions of the Code dealing with the existing Executive Committee and its powers are made invalid by this legislation, and the Code should be quickly amended to be consistent with the statute.

The committee recognizes that, for purposes of continuity and to enhance the receipt of informed advice about the Commission's operations, the States may wish to maintain certain staff at Commission headquarters. Such staff can perform a valuable function in a liaison and advisory role. It is contrary to the intent of this Act to delegate to such staff any policy formulation, program management, or staff supervisory authority.

The committee has recommended an amendment to section 106(2) of the Act to reaffirm that the Executive Director is to be the chief administrative officer of the Commission staff. There must be one individual clearly responsible to the Commission for the day-to-day operations of a staff whose duty is to implement Commission decisions.

The Commission staff must be distinct in its functions and responsibilities and free to provide impartial, objective judgments and advice to the Members of the Commission on matters affecting policies, operations and procedures. The Congress designed the staff as an independent group of experts to produce impartial and technical information and make recommendations to the Commission based upon such data. It must not be unduly influenced by either partner if it is to serve the Commission in the development of unified Federal-State policies to solve the problems of the Appalachian Region.

The committee deeply appreciates the attention which the 13 Governors of the region, under the leadership of Governor Carroll of Kentucky (then State Cochairman), have given to these questions. At the request of the Governors, senior Members of the Committee met with 10 Governors for a frank and valuable discussion of the Committee's interest and the Governors' intentions in this regard. The reported legislation reflects a considered judgment of the appropriate and necessary steps required at this time to achieve the direction, purpose and responsiveness the Congress and the people of the region have a right to expect.

DEVELOPMENT PLANNING PROCESS AND PROJECT APPROVAL

The committee recommends a new section 225 of the Act and conforming amendments to implement the areawide action planning process of the Commission in the context of a regional development planning process and sub-regional strategies. The new provision emphasizes overall regional goals and the strengthened participation of political

subdivisions and the general public in the preparation of State Development Plans. It is intended to enhance the role of local development districts, along with increased consideration of the goals and objectives of local units of governments and citizen groups. Amendments to section 302 provide assistance to prepare State development plans as part of this process, as well as specifying that grants for administrative expenses of local development districts may include costs for development of areawide plans or action programs and technical assistance activities.

This assistance is only intended to help the States institute the new planning requirements in section 225, and not to provide general management assistance to the States or to pay any portion of the salary or expenses for the State alternate appointed pursuant to section 101(c).

In the early years of the Appalachian program, the 13 member States recognized that, although all of Appalachia shared many common problems and potentials, there were identifiable social, economic and geographic differences in the Region. This perception led the Commission to identification of three subregions: Northern Appalachia, Central Appalachia, and Southern Appalachia, and a fourth area, the Highlands Conservation and Recreation Area, which overlays parts of the other three and extends to eleven States.

The committee believes the differences among these subregions produce different development potentials in each area and requires some variation in the specific approach to development adopted by each subregion. To that end, an amendment to section 102 specifies that the identification of subregional characteristics, needs and goals should be undertaken by the Commission.

The Commission must begin at once the preparation of an overall Regional Development Plan. This plan should be based on the State Development Plans once they are approved by the Commission, and should reflect the new subsection 2(b) statement of purpose for the Commission. At the same time, the State Development Plans must be prepared in accordance with the regional goals, objectives, and priorities, and those should be made available to the States in advance of the formal adoption of a Regional Development Plan.

The new section 225 outlines the major elements of the State Development Plan. These Plans are to (a) describe the State organization for Appalachian development planning, including the procedures established for the participation of local development districts in the process and the means for relating the process to State planning and budgeting and coordinating it with other Federal, State and local programs; (b) set forth the goals, objectives, and priorities of the State for the Region; and (c) describe the development program for achieving the goals and objectives, including funding sources and recommendations for specific projects. Plans would be revised annually, and an implementing investment program would be submitted by each State.

The committee recognizes that local development districts certified by the State under the Act provide the linkage between State and substate planning and development. To that end the provision directs that States shall consult with the districts, as well as local units of government and local citizen groups, and take their goals, objectives

and recommendations into consideration in formulating the State Development Plan.

The committee encourages the areawide action program approach which (a) is a consolidated investment program of a district; (b) analyzes the area's assets and problems, identifies its needs, and presents in a document development strategies and a package of inter-related priority projects for reaching strategic objectives; and (c) provides a multi-year schedule for funding these projects by a number of agencies.

It is expected that the new section 225 Areawide Action Program will build on and incorporate a number of procedures and activities already underway in many of the local development districts. However, the new section adds several new elements, taking present procedures a step further. It will provide one coordinated process and basic document to be used by as many Federal, State and local agencies as possible, as the basis of their program funding decisions. It will include a system of project and program priorities, and it will incorporate multiple funding sources—public and private, State, local and Federal. The language of the new section specifies that local development districts designated by the Governor as areawide agencies in compliance with Federal assistance programs, as under Office of Management and Budget circular A-95, be accepted by the appropriate Federal agencies.

Section 120 of the bill rewrites section 303 of the statute to provide that State Development Plans, the Regional Development Plan, and implementing investment programs must be approved by the Commission as in accordance with the Regional Development Planning Process. Once a State Development Plan is approved, the submission and approval of a project by a State under section 303, when joined by an affirmative vote of the Federal Cochairman for such project, shall be deemed to satisfy the requirements for affirmative votes for decisions in section 101(b).

The implication of this change is to require annual Commission approval of State Development Plans and implementing investment programs. An implementing investment program is essentially what is now referred to as an annual project package, and is an aggregate of the projects proposed to be funded each fiscal year. Each project included in the implementing investment program is to be described in sufficient detail to permit an informed analysis by the Commission's professional staff. The implementing investment program should serve as a pre-application, and Commission approval of such a program should be sufficient scrutiny to allow individual projects to be approved merely on the basis of the State's approval and submittal and the Federal Cochairman's concurrence. This is consistent with the statute and current Commission practice which require the affirmative vote of both State and Federal partners on projects nominated by the affected State.

Until State Development Plans are approved by the Commission, each project must be approved by the Commission. This responsibility may not be delegated to a person not a member of the Commission, and the project approval role of the previous Executive Commission structure is eliminated.

The committee believes that it is sufficient if the project submission, review and approval process for projects in approved implementing investment programs provides for (a) State review and approval in submitting projects (b) review by impartial Commission professional ARC staff which is neither Federal or State; and (c) review and concurrence by the Federal Cochairman.

Section 109 of the bill amends section 107 of the Act to require that public participation be provided for, encouraged, and assisted by the Commission, States, and local development districts. A high degree of informed public participation in the development of plans and programs within the Appalachian region is essential to the accomplishment of the objectives the committee seeks—a balance between economic growth and development, and conservation of the unique natural resource heritage of the region. The Commission is required to develop and publish regulations specifying minimum guidelines for public participation, including public hearings.

While the committee has not modified the language of the Act providing for local development district certification to specify the composition of district boards, the membership of board governing bodies is a concern to the committee and will receive attention during future oversight of the program. With the area-wide action planning process called for by new section 225 making district planning increasingly important, district boards should examine their membership to assure that they are politically accountable and representative of diverse community interests. Boards should contain a majority of local elected officials, but the remainder of the board should include citizen group representation as well as members from the commercial and business sector.

1975 STATEMENT OF PURPOSE

Coal is the Appalachian region's most abundant natural resource. Just as coal has played a large role in the region's past, its resurgence as a national source of energy has great significance for the region's development. There have been coal booms in the past but these have left few improvements behind when they subsided. Indeed, a number of the Commission's programs were designed specifically to remedy problems caused by past coal mining operations. The region, through the Appalachian Regional Commission, now has the capacity to plan and manage this new energy potential so that it furthers both the national interest and the sound development and conservation of the region's resources.

For this reason, the committee has added a new subsection to the existing Statement of Purpose of the Act in section 2, outlining the Commission's role in this area. This addition does not displace the existing findings and declaration in the Act which have served well and continue to direct the Commission's program. Rather, the Committee believes it appropriate to recognize the changes that have occurred over the last decade, especially with respect to the critical energy supply problem, and to provide a new statement of purpose as the Commission enters its second decade.

Under this new language the Commission will provide a framework for coordinating Federal, State, and local efforts toward (1) antici-

pating the effects on the region of alternative national energy policies and practices, (2) planning for the growth and change generated through the accelerated coal development so that it will further the social and environmental well-being of the region, and (3) implementing the activities of Federal, State and local governmental in the region to better meet the special problems generated in the region through national energy policies.

A major task of the Commission should be to represent the region's interest before Federal agencies and councils involved in energy decisions.

Several Federal agencies already are working in this field, including the Energy Research and Development Administration, the Federal Energy Administration, the Environmental Protection Agency and the Interior Department. The committee intends that these Federal agencies actively cooperate and work with the Federal Cochairman and the Commission in developing a regional energy policy.

The Bill also authorizes a new, limited demonstration program in the area of energy-related enterprise development in subsection (b) of section 302. For purposes of the new demonstration authority, the Committee waived the restrictions in section 224(b) (2), (3) and (4) which preclude the use of Commission funds for financing industrial facilities or working capital, or the cost of facilities for the generation, transmission, or distribution of electric energy or gas.

The Commission has indicated to the committee some of the types of activities it intends to undertake with this new demonstration authority. One proposed project would be to demonstrate new equipment required to meet environmental standards in the burning of high-sulfur coal. Another environmentally-related proposal includes testing and demonstrating new facilities for handling solid waste by-products. The Commission also discussed the demonstration of a standardized coal gasification process that could serve industrial parks threatened with the loss of natural gas supplies.

The committee encourages the Commission to consider participation in site location studies and other preparatory work for one or more major coal gasification facilities in the region which the Energy Research and Development Administration would subsequently fund.

It is intended that these projects deal with energy as a part of regional development and as it relates to the work of the Commission. As a demonstration authority, this money should not be allocated among the States but applied to selected projects on a regional basis.

The committee intends to monitor this major new authority carefully and expects the Commission to develop an energy policy as authorized under the new statement of purpose as soon as possible so that the relation of these demonstration projects to regional policy will be understood.

Testimony was received from the Governors and the Federal Cochairman urging the committee to authorize a new general program for enterprise development. This program would have included authority to acquire and develop commercial and industrial development sites for private enterprise, as well as public facilities. The committee was concerned that the authority being requested was overly broad, and concluded that a sufficient case had not been made to authorize such a general program at this time. The committee was convinced,

however, that some effort was needed to gain information and experience with energy-related development, and, therefore, recommends the authorization of this more limited program.

Not more than \$3,000,000 in any fiscal year can be spent in this experiment, on demonstrations exempt from the prohibitions of section 224(b) (2), (3) and (4).

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

The Appalachian Regional Development Act of 1965 authorized in section 201 the construction of 2,350 miles of development highways and 1,000 miles of local access roads. Federal participation in the cost of constructing these roads was set at not more than 70 percent, with the States providing the remaining share. In 1967 and 1969, the Congress authorized increases bringing the total to 2,700 miles of developmental highways and 1,600 miles of local access roads.

The bill amends section 201 to authorize a 200-mile increase in developmental highway mileage, with a corresponding 200-mile decrease in local access roads, to provide corridors for a sector of the region which was not part of the Appalachian program when the original corridors were established. There has been extensive development related to the space program in the Huntsville-Memphis corridor. This Mississippi-Alabama area remains the only major developed area in the region without an Appalachian highway or access to a highway of Interstate quality.

The committee recommends the retention of the current level of 70 percent Federal participation in the cost of construction. The committee considered the Administration proposal to raise the Federal share of construction costs on Appalachian highways to a maximum of 90 percent when a State uses a Federal-aid primary funds in combination with Appalachian funds. In the judgment of the committee this could decrease total road construction in Appalachian States. The Appalachian Governors did not favor this approach, and the committee preferred increased authorizations to maintain the level of highway construction. The committee also rejected the Administration recommendation for excess right-of-way acquisition or disposition of land to further enterprise development.

The committee notes with great favor the testimony before the committee in which the Federal Cochairman stated the Administration's endorsement of the early completion of the Appalachian Development Highway System. It is vitally important to the region that the system be completed at the earliest possible date.

Highway construction costs, however, have increased by well over 55 percent since the 1971 extension of the Appalachian program. In addition, a decision by the Commission to increase the Federal contribution to the statutory limit of 70 percent to attract State matching funds on the same basis as other Federal aid highway programs, has increased the per-mile cost of the current construction program. Estimates received by the Committee indicate that an annual authorization of \$300 million would barely be sufficient to maintain the program at the level which the 1971 authorization of \$185 million per year was intended to provide. Consequently, the States urged the Committee to

increase highway authorizations to \$300 million per year and extend the authorizations to provide for the completion of the system.

To accommodate the Administration's desire not to greatly increase current year authorizations over the amount contained in the budget, the Committee recommends an increase in the fiscal year 1978 highway authorization, presently the last year, from \$180 million to \$250 million, and additional authorizations of \$300 million for fiscal year 1979, \$300 million for fiscal year 1980, and \$170 million for fiscal year 1981. The Commission should make a new cost estimate survey before allocating this \$840 million of additional authorization, to determine the cost of completing the development corridor system.

AUTHORIZATION EXTENSION

Current authority for the Appalachian Regional Commission expired on June 30, 1975. The program is now operating under Public Law 94-41, the interim funding resolution for fiscal year 1976. The Committee recommends a two-year extension of the Appalachian Regional Development Act, including the transition quarter, to September 30, 1977. (The committee is pleased by the Administration's recommendation of a four-year extension.) The committee believes a two-year extension will provide opportunity for better oversight of the structural improvements the committee is recommending and the substantial new activity in energy-related areas proposed by the Commission.

The committee also believes it is important to retain the concept of the Commission as an agency of limited duration with a stated mission and time in which to accomplish it, and therefore the bill provides that the Act and the Commission shall terminate on October 1, 1977.

The committee recommends an authorization to be appropriated to the President, to be available until expended, of \$267,000,000 for the two-fiscal-year period ending September 30, 1977. This sum is in addition to the appropriations authorized in section 105 for administration expenses and in section 201(g) for the Appalachian Development Highway System and local access roads. This is the same sum recommended by the Administration for the first two-fiscal year period in its proposed legislation and is compatible with the budget of the Commission for fiscal year 1976. This figure does not specifically provide for the transition quarter, but the committee understands that the appropriate level of funding will be made available under blanket legislation dealing with the transition quarter.

The bill as reported does not reflect an allocation of these authorizations among the various Commission program authorities. The Commission now follows a policy of allocating nearly all the funds appropriated for general programs among the States on the basis of a "single-allocation" formula reflecting various factors of program need. Individual States then select individual projects for funding out of their allocation in accordance with the State's own conception of its need in a given year. This procedure is highly appropriate, allowing a regional determination of priorities and assessment of need in the establishment of the allocation formula, with each State's own development plan determining expenditure within its borders.

To make the "single allocation" formula a meaningful reflection of regional needs, however, it must be revised by the Commission at least annually, based on the approval and revision of Regional and individual State development plans. Since this allocation must reflect current needs, all Commission funds which have not been obligated by the end of the program year should be included in it, whether or not part of a previous allocation.

Since June 30, 1967, the administrative expenses of the Commission have been shared equally by the Federal Government and the States in the region, except that the expenses of the Federal Cochairman, his Alternate, and his immediate staff are paid solely by the Federal Government.

Section 106 of the bill increases to \$4,600,000 the authorizations for the period July 1, 1975, to September 1, 1977, for the Commission's administrative expenses, sufficient to cover pay and other cost increases, and would include a limitation of \$800,000 for expenses of the Federal Cochairman, his Alternate, and staff.

OTHER PROVISIONS

Demonstration health program

The committee recognizes that serious problems continue to confront the region in the organization and delivery of health care services. A document in the Federal Register of February 15, 1975, identified 145 Appalachian counties as experiencing shortages of adequate medical services.

The committee encourages the Commission to develop new approaches to the organization and provision of health, nutrition and child care services with special emphasis on areas without sufficient services; to demonstrate new methods to reduce costs of health and child care through efficient use of all health personnel, new systems of communication and transportation; to demonstrate the cost effectiveness of enhanced preventive measures and patient education, innovative approaches to health manpower training with special attention to the problems of rural and isolated areas; and to explore ways to achieve greater participation by existing public and private providers of health and child care services.

The Commission has made efforts to move away from hospital construction and into the field of primary health care and related services. Although in some cases there may continue to be a hospital bed shortage, the committee is satisfied that the critical health need in the region is for more preventive, diagnostic, ambulatory, emergency and other services than for additional hospital construction projects.

The major task facing the Commission now is to link hospitals with the provision of the most cost effective medical services. The Commission has provided start-up and operating funds for almost 100 primary health care clinics, using physician assistants and nurse practitioners to make the best use of physicians' time.

This is an innovative method for delivery of health care. The committee notes, however, a problem associated with use of physician assistants and nurse practitioners. Under present Medicare regulations, reimbursement for health care is provided only when given by a phy-

sician, not by a physician assistant or nurse practitioner, even though they are under the supervision of a Doctor of Medicine. This is a serious problem that should be considered at the earliest appropriate time by the Senate Finance Committee and the committee of the House with jurisdiction over the Medicare/Medicaid program.

The bill makes only minor amendments to section 202: (1) To allow acquisition of facilities previously operated for profit where that is the most cost-effective way of providing increased health services, (2) to clarify that Commission determination on need for a project is controlling once HEW establishes compatibility with basic HEW legislative authority, and (3) to add reference to Title XX of the Social Security Act, enacted since the 1971 Appalachian Act amendments.

The second amendment referred to above is a clarification of existing law. Section 202 is broad demonstration authority and the Commission is expected to design and execute projects which cannot be done under the more restrictive authorities of line agencies.

The committee stresses that when the Act provides that "the Secretary is authorized to make grants" under this and other sections of the Act, the Congress intended that the grant's management and other technical and "housekeeping" functions be performed by that department. The committee did not originally, nor does it now mean, that the Secretary of Health, Education, and Welfare is the final arbiter of what can be done by the Commission in furtherance of the authority under section 202. That determination is reserved to the Commission and when the Commission approves a project and transfers funds to the Secretary, the Secretary's responsibility is to manage those funds for that grant, even if under a similar law he is not authorized to use Health, Education, and Welfare funds in that manner. Any contrary interpretation would obviate the demonstration authority of section 202 and hinder the design of innovations which the Committee expects of the Commission.

A similar clarifying amendment is recommended for section 223. That language provides that the Commission's determination as to the need and authority for a project shall be accepted by the relevant Federal agencies.

Mine area restoration

Section 112 of the bill amends the provisions of the Act providing for mine area restoration (section 205) to allow separate grants for planning or engineering projects; to make cover materials (including, but not limited to, sand, clay, stone, culm, rock, spoil bank and non-combustible materials) eligible project costs; to allow waivers wherever a State, local government or other non-profit applicant agrees to indemnify the Federal Government, for all claims of loss or damage resulting from the use and occupation of lands for projects assisted under section 205.

The bill also amends section 205 to allow reclamation on lands owned by private non-profit entities for public recreation, conservation, community facilities and public housing. The committee did not include industrial development purposes as recommended in the Administration bill, and expects appropriate safeguards to assure that privately-held lands assisted for one of the stated purposes is not resold.

The delay between the approval of a project by the Commission, the actual obligation of funds by the Department of Interior, and the time work is actually begun on the project continues to be a critical problem. The committee recognizes the necessity of obtaining legal releases from owners of land or mineral rights, and has provided in the bill a method to minimize this problem through an indemnification procedure. However, this procedure cannot be used in all cases, and therefore the committee expects the Bureau of Mines and the States and their respective mining departments to take appropriate action to expedite the Mine Area Restoration Program, and accelerate the commitment of the funds involved.

The committee also notes that at least two Appalachian States have recently enacted coal severance taxes, a portion of each to be used for mine area restoration. The committee believes that these State programs are desirable and natural partners of the section 205 program, and they should be coordinated to get maximum impact from both. Neither, of course, is a substitute for comprehensive national surface mining reclamation legislation which the committee hopes will soon be enacted.

Housing assistance

The committee recommends minor amendments to the existing authority of section 207. The bill amends that provision to expand the types of housing programs which may be assisted with "seed money" grants or loans to include any Federal or State low- or moderate-income housing assistance program; to include limited dividend or cooperative organizations as eligible for assistance; to allow up to 10 percent of the value of rehabilitated housing for off-site improvements for housing rehabilitation projects; and to authorize funds for States to make similar assistance to that under section 207.

In recent years, the Farmers Home Administration in the Department of Agriculture has been the source of more housing in Appalachia than Housing and Urban Development. The committee intends that under this section 207 amendment, the Secretary of Housing and Urban Development is authorized to make loans and grants from the Appalachian Housing Fund for eligible activities related to all low and moderate income housing programs of the Federal and State governments, including those administered by the Farmers Home Administration. Previously, assistance from the funds was restricted to specific mortgage source program administered by Housing and Urban Development which are being phased out. It is anticipated that these amendments will be partially useful to rural areas in obtaining housing through rural housing assistance programs.

Areawide education demonstration projects

The two amendments recommended for section 211 of the Act do not change the basic character of the Appalachian Regional program in education, but will increase the Commission's effectiveness in moving toward the current goal of providing Appalachian residents with the skills needed to compete effectively in the labor market wherever they choose to live. The amendments will broaden the scope of areawide demonstration projects from strictly vocational and technical education projects to "education, cooperative and recurrent education, cooperative and recurrent education, guidance and counseling."

Emphasis on direct job-relevance of educational investments must continue to characterize Commission activities. To assure that assisted projects reflect community perceptions of needed job skills and local opportunities, the committee is recommending that these projects be selected with the involvement of all sectors of the community, including industry and labor.

A second amendment makes clear that the present requirement for facilities of a demonstration project is administered by a public body.

Section 214 supplemental authority

The committee adopted amendments recommended by the Administration to include additional Federal grant-in-aid programs as eligible for supplementation. This brings up to date the eligible Federal programs, adding those enacted since the 1971 amendments and others for which specific supplementation authority was necessary.

These include Title I and IX of the Public Works and Economic Development Act of 1965, as amended, allowing the Commission to participate in Economic Development Administration projects for the first time.

In section 123 the committee also recommends repeal of section 104 of the Public Works and Economic Development Act of 1965, which now prevents cooperative funding of Appalachian Regional Commission and Economic Development Administration projects.

Compensation of the Federal Cochairman and Alternate Federal Cochairman

Section 104 of the bill increases the rating of the Federal Cochairman from level IV to level III of the Executive Schedule and the Alternate Federal Cochairman from GS-18 to level V on the Executive Schedule. These increases are to bring those positions in line with the level of departmental assistant secretaries and deputies with whom the incumbents must deal in the Federal agencies. The committee's intention is to enable the Federal Cochairman and his Alternate to deal on an equivalent level of authority.

Maintenance of effort

Section 117 of the bill amends Section 224 of the Act by adding a new provision which reemphasizes that programs and projects may be funded under this Act only if the Commission has determined that the funds will not diminish the level of effort by the State in its Appalachian counties in order to substitute funds authorized by this Act.

Studies and demonstrations

The bill also includes amendments to section 302(b) providing for specific studies under the Commission's research and demonstration authority.

One provision directs the Commission to conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on out-migration and the welfare of Appalachian migrants. In carrying out this study, the Commission may undertake pilot projects and demonstrations within the region.

Another provision directs a study of physical hazards which are constraints on land use (with strong emphasis on mudslides, landslides, sink holes and subsidence) and the risks associated with these hazards. It should also provide identification of high-risk hazard areas throughout the Appalachian Region. This information could lead to possible legislative, technical and institutional solutions to overcome inequities to individuals who might build in such areas without this guidance, and remove obstacles to sound land use.

The special requirements and restrictions of the Flood Disaster Protection Act of 1973 and the Disaster Relief Act of 1974 pose major problems in the Appalachian Region because of the limited amount of developable land available. There may be a need for adopting special provisions to provide an adequate program for assuring continued orderly growth and development in the Appalachian Region.

The Commission should build on its experience in analysis and assistance to damaged areas such as the post-Agnes subsidence work in the area surrounding Scranton and Wilkes-Barre, Pennsylvania; and the landslide work in the areas around Pittsburgh, Pennsylvania, the major urban areas of West Virginia, and Sanctified Hill, Cumberland, Kentucky.

In addition to the studies and demonstrations specified by the statute, the committee directs the Commission to give special attention to demonstrations and other activities for the improvement of rural transportation in the region. The committee will expect cooperation and coordination between the Commission and the Secretary of Transportation in the implementation of rural public transportation demonstrations under section 147 of the Federal Aid Highway Act of 1973 or any other authority.

Timber development

The committee did not include in the reported bill the amendments proposed by the Administration to Section 204 relating to timber development. It recognizes that improvements in the ability of small wood lot owners to assemble and market commercial quantities of timber will make a valuable contribution to the economy of many parts of the Region. This provision of current law should, therefore, be aggressively implemented by the States. The committee was concerned, however, about the implications of providing operating or working capital assistance to private profit-making interests, and was unwilling to include such a provision in the legislation without further investigation and review. The Commission should study the implications of such assistance to private timber operators in the context of the limited demonstration authority being granted in the energy-enterprise development area, and report to the Congress on the potential consequences of such a program.

TITLE II—REGIONAL ACTION PLANNING COMMISSION IMPROVEMENT ACT

TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT

The committee recommends an expansion of the program authority of the regional action planning commissions authorized under title V of the Public Works and Economic Development Act of 1965.

The expansion of authority and increase in funding level reflects a stronger interest of the members of the Senate representing the thirty-one States included in the Title V Commissions and greater participation by the governors of these States. The new authority provided in this bill is designed to allow the commissions to address individual problems facing each region.

The bill provides new and broad program authorities in four areas: energy, transportation, vocational education, and health. In addition, the committee is again recommending an increase in authorization for fiscal year 1976 to \$200,000,000, provides a \$50,000,000 authorization for the transition quarter ending September 30, 1976, and extends the authorization through fiscal year 1977 at \$250,000,000. Each commission is required to submit its development plan to the Committee on Public Works of the House and Senate. Through the amendments recommended in this bill, increased funding and improved Congressional oversight, a basis will be provided for future legislative changes affecting each region.

ALLOCATION OF FUNDS

Under present law, funds appropriated to the Title V Commissions are divided equally among them. The bill, as reported, provides the following formula for the distribution of funds among the commissions:

- 44 percent on the basis of per capita income (weighted inversely);
- 28 percent on the basis of population;
- 14 percent on the basis of land area; and
- 14 percent on the basis of equality among the commissions.

The committee believes this formula gives reasonable recognition to the differences among the commissions in population, land area and per capita income gap. The formula is intended to be an interim funding arrangement.

Heavier weight is accorded per capita income in recognition that the commissions were authorized because their regions lagged behind the nation in economic development as evidenced by unemployment, low median family income, poor housing, lack of health and educational facilities, outmigration, negative effects of production and industrial technology, and a slow regional growth rate. The formula is based upon the experience of the Appalachian Regional Commission in allocating funds authorized for supplemental assistance (section 214).

REGIONAL TRANSPORTATION DEMONSTRATION

The bill revises section 513 of Title V to more meaningfully address the transportation issues facing many regions of this country. The committee feels that transportation planning for regional economic growth is essential if the Title V Regional Action Planning Commissions are to properly address the problems of lagging and underdeveloped economies in many areas of the nation.

Transportation is only one element for economic growth but an important component.

Once needs are known, meaningful planning for the proper transportation system of each region can be undertaken by the

regional commissions. The plans should develop the proper mix of all transportation modes so as to best serve all of the interests (economic, social and environment) of the regions. The commissions should consult with and seek the advice of the Secretary of Transportation and other appropriate officials of government on the development of their regional transportation plans. As the regional commissions study and plan their transportation systems, they should not plan only new systems but should look at existing transportation programs and attempt to integrate their plans with these ongoing transportation programs.

Five million dollars are available for each of fiscal years 1976 and 1977 from funds allocated under section 509(d) for demonstration projects. The Committee believes that these funds should be used in an innovative manner for new or refined organizational operational or technical approaches to meeting regional transportation needs. These funds should not be used in lieu of private capital particularly to construct facilities useful to the development of a particular resource of the various regions.

ENERGY

The Title V Regional Commissions include some of the nation's major energy producing states as well as some of the larger user-states and states with unique energy requirements. Today's critical energy situation has a profound impact on the economic well-being of these regions. In the energy producing regions, full scale development of these resources holds great promise for achieving a better quality of life and economic viability.

In other regions, the curtailing or change of energy supplies could jeopardize the advancements begun under the regional program.

Because of the impact on programs and activities of the regional commissions, the committee believes that each commission should consider and develop a regional policy reflecting the opportunities and risks created by the energy situation in that particular area.

The committee, therefore, added a new section 515 to the Act, directing the Commissions to develop a regional wide strategy for anticipating and planning for the economic and environmental impacts of the energy crisis on the region and for shaping and implementing ongoing activities so as to better meet these impacts.

This new section does not replace or subordinate the original purposes or programs of the Title V Commissions. The committee believes, however, that the serious energy problem, if not properly managed, could hamper the development efforts previously carried out.

Section 515(b) authorizes each Commission to carry out energy related demonstration projects addressing its unique energy problems as these relate to the Commission's program.

The committee expects the Commissions to develop as soon as possible a regional energy policy as authorized in section 505(a) so that the value and purpose of the demonstration projects to regional problems can be considered.

Several Federal agencies have primary responsibility developing national energy policy and for basic energy research and development including the Energy Research and Demonstration Agency, the Federal Energy Administration, Department of Interior and the Environmental Protection Agency. The committee expects these Federal

agencies to work closely with the Federal Co-chairman and the regional Commissions in formulating regional policies.

Importantly, the Commissions can represent regional interests before the Federal agencies involved with national energy policies and programs and make known to the region the consequences of alternative applications of national energy decisions.

The committee authorizes a total of \$5 million for each commission for any one fiscal year for the purposes of this section.

HEALTH CARE

It is the committee's intent that programs assisted under this section will provide a flexible non-categorical approach to improvements in health through a process involving comprehensive community planning on a multi-county medical trade area basis, implementation of that planning through service programs and, where applicable, the construction of the necessary medical facilities.

To accomplish this purpose, the commissions should encourage comprehensive, areawide health planning throughout the region; provide essential health services; and demonstrate in selected areas that modern comprehensive health care can be made available and accessible on an organized basis.

The Secretary of Health, Education, and Welfare is authorized under section 516 to make grants for planning, constructing, equipping and operating multi-county health care demonstration projects approved by the regional commissions. The facilities for which funds are available include hospitals, diagnostic and treatment centers, health facilities and services.

Planning grants are limited to 75 percent of the cost; construction grants are authorized up to 80 percent of the project cost; and operating grants may be made up to 100 percent of the cost of the first two years and up to 75 percent for the following three years of operation. Section 516 grants can be made either entirely with section 516 funds or in combination with grants under other programs of similar purpose.

Besides attention to regional comprehensive health planning, the health programs should maintain a regionwide focus in considering the primary health care needs, particularly in rural, isolated areas. Primary care may be defined as a range of services adequate for meeting the great majority of daily personal health needs. This majority includes evaluation and management on a continuing basis of general discomfort, early complaints, symptoms, problems, and chronic intractable aspects of disease. Primary care does not include comprehensive care that is intensive, or very specialized or both.

VOCATIONAL-TECHNICAL EDUCATION

The committee places a high priority on vocational and technical education, recognizing that economic development of the regions is dependent on the existence of a qualified labor force, without which no community can attract and hold the employment it needs for stability and growth.

The committee believes the overall objective of programs funded under section 517 should be to provide citizens of the regions with

expanded opportunities to obtain vocational and technical training relevant to current job market needs in the regions and, on a more general basis, throughout the nation. Thus, emphasis should be placed by the Title V Regional Commissions on an expansion in vocational-technical education curricula to present and projected job opportunities.

Section 517 authorizes a new vocational and technical education demonstration program under which the Secretary of Health, Education and Welfare makes grants for planning, constructing, equipping, and operating vocational-technical education facilities. Planning grants are limited to 75 percent of the cost; construction grants are authorized up to 80 percent of the project cost; and operating grants may be made up to 100 percent of the cost of the first two years and up to 75 percent for the following three years of operation. Federal contribution may be entirely from funds under this section or in combination with funds from Federal programs providing assistance for education-related facilities and services. Funds authorized under this section may be used to increase the Federal share under such other programs, up to the maximum set by this section.

A major objective of the Commissions' programs should be to tailor the vocational courses in Commission-funded schools to the job market. Among the special problem areas to be addressed are training in reading and other basic communication skills, programs for disadvantaged and handicapped students, counseling and guidance, and in-service education of teachers.

In developing vocational-technical education programs. Regional Commissions should benefit from the decade of experience in this field of the Appalachian Regional Commission. As the basic structures were completed, the Appalachian Commission adopted priorities for demonstration projects that included more effective ways to utilize fully vocational and technical education facilities; career education and adult-in-service professional development; home-based multimedia individual study programs; innovative approaches to guidance and placement; and innovative facility and equipment projects such as mobile classrooms or mobile guidance facilities.

As an overall educational objective, the Committee believes that communities must strive to develop truly open systems which will provide expanding opportunities for continuing life-long education based on individual needs and aspirations.

REVIEW OF REGIONAL DEVELOPMENT PLANS

Section 207 of the bill requires that each commission submit to the Committees on Public Works of the House and Senate its regional economic development plans are required under section 503(a)(2) of Title V of the Public Works and Economic Development Act.

The requirement is in part a response to the growing awareness of the committee that greater oversight of regional programs must be provided. With increased funding and program responsibilities, the need for continuing in-depth oversight of commission programs and activities is imperative.

Submission of the plans will add importance and emphasis to the role of the commissions. The review provided for in this section

should stimulate the examination of regional problems and the development of strategies to solve them. A review of the plans will form the basis for additional legislative changes tailored to the needs of particular regions.

PRESIDENTIAL REVIEW

Section 208 directs the President to review present administrative arrangements and authorities of the commissions and make recommendations to Congress within six months. The reason for allowing only six months to present recommendations is so that the Committee may incorporate necessary changes in the legislation extending the Public Works and Economic Development Act early in 1976.

The question of how to provide greater autonomy for the commissions than at present under the Department of Commerce has been raised. The committee believes that the regional and intergovernmental role of the Commissions argues against their placement under one particular department. Their mandate is to coordinate and plan for investments for all Federal agencies.

Congress has directed the Department of Commerce to "provide effective and continuing liaison between the Federal government and each Regional Commission." There is little evidence that such liaison has developed. Unlike Appalachian, the Title V Regional Commissions have not been permitted to make formal budget presentations within the Executive Branch as are other Department of Commerce agencies.

The committee believes the President should have the opportunity to propose his own preferences in administrative arrangements that meet both the congressional goal of greater autonomy and his need for effective administrative management.

COST OF LEGISLATION

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in the report of the committee's estimate of the costs of the reported legislation, together with estimates prepared by any Federal agency. The authorizations for section 401 of the Appalachian Regional Development Act of 1965 contained in this bill are those proposed by the Appalachian Regional Commission. The authorization for section 105 was drawn from Commission estimates. The authorizations are \$4,600,000 for the administrative expenses of the Commission under section 105 for the two-fiscal year period ending September 30, 1977 and \$267,000,000 for program authorizations other than highways under section 401 for the two-fiscal year period ending September 30, 1977. The bill increases the authorization for fiscal year 1978 from \$180,000,000 to \$250,000,000 for section 201 (Appalachian Development Highway Program) and provides new authorizations of \$300,000,000 for fiscal year 1979, \$300,000,000 for fiscal year 1980, and \$170,000,000 for fiscal year 1981 for the highway program.

Title II of the bill increases the authorization in section 509 of Public Works and Economic Development Act of 1965 for fiscal year ending June 30, 1976, from \$150,000,000 to \$200,000,000 for the Title V Regional Action Planning Commissions, and provides new authorizations in section 509 of \$50,000,000 for the transition quarter ending September 30, 1976, and \$250,000,000 for the fiscal year ending September 30, 1977.

ROLLCALL VOTES DURING COMMITTEE CONSIDERATION

Section 133 of the Legislative Reorganization Act of 1970 and the rules of the Committee on Public Works require that any rollcall votes taken during consideration of this bill be announced in this report. No rollcall votes were taken and the vote of the committee to report the bill was by unanimous voice vote.

COMMITTEE VIEWS

The Committee recommends enactment of S. 1513, as amended. It believes that the legislation is vital to achieving the goals set in 1965 when the first regional development legislation was passed by the Congress. The committee believes that while Appalachia is no longer a region apart, as it was in 1965, the Appalachian region is still challenged by unique problems of long-standing. The committee is concerned that the demonstrated worth of the Federal-State partnership for regional development be continued, even as the Commission devotes a large part of its attention to the regional problems and priorities related to energy production and transportation.

In 1967 and 1969, the Committee extended the Commission's authorization for two-year periods. In 1971, a four-year extension was approved by the Congress. The committee recommends a two-year extension to allow greater dialogue between the Congress and the Commission as the new directions established in this bill are carried out.

The amendments to title V of the Public Works and Economic Development Act of 1965 are equally necessary if the regional commissions established under that act, are to bring renewed economic vitality to the other economically deprived regions of the United States.

The committee believes that the program presented under the reported bill is a sound and well-balanced one, which takes full advantage of the experience gained by the Appalachian Regional Commission during the past decade, and opens up new avenues for the regional Commissions established under title V of the Public Works and Economic Development Act. The committee recommends the enactment of the bill as reported.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of the rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PART III—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965, AS AMENDED

A—LEGISLATION, P.L. 89-4, AS AMENDED

AN ACT To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities

(28)

and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

(b) *The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State and local governmental agencies so as to better meet the special problems generated in the region by the nation's energy needs and policies, including problems of transportation, housing, community facilities and human services.*

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman," appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. [Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents.] *Each State member shall be the Governor.* The State members of the Commission shall elect a Cochairman of the Commission from among their number for a term of not less than one year.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter. *No decision involving Commission policy, approval of State, Regional or subregional Development Plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.*

(c) **Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff.** The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate. *A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings.*

(d) **The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.** *The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State Member and his alternate shall be compensated by the State which they represent at the rate established by law of such State.*

FUNCTIONS OF THE COMMISSION

SEC. 102. (a) In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with the Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs; and

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences.

(b) *In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including Central, Northern and Southern Appalachia.*

RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a

coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

Sec. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) **■**To carry out this section there is hereby authorized to be appropriated to the Commission to be available until expended, not to exceed \$1,900,000 for the two-fiscal year period ending June 30, 1971. To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended not to exceed \$2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed \$525,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff), and not to exceed \$3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed \$575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff). **■** *to carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed \$4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed \$800,000 shall be available for expenses of the Federal cochairman, his alternate and his staff).*

ADMINISTRATIVE POWERS OF COMMISSION

Sec. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. *The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign.* No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff,

and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any inter-governmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases (including notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1975), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

Sec. 107. (a) In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purposes of audit and examination by the Comptroller General or his duly authorized representatives.

(b) *Public participation in the development, revision and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings.*

PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman of his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsections but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

COMMISSION EMPLOYEE PROTECTIONS

SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply."

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereinafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of sections 106(a) and 118 of title 23, United States Code, relating to the obligation, period of availability, and expenditure of Federal-aid highway funds, shall apply to the developing highway system and the local access roads, and all other provisions of such title 23 that are applicable to the construction and maintenance of Federal-aid primary and secondary highways and which the Secretary determines are not inconsistent with this Act shall apply, respectively, to such system and roads. Construction on the development highway system shall not exceed [two thousand seven hundred miles] *two thousand nine hundred miles*. Construction of local access roads shall not exceed [one thousand six hundred miles] *one thousand four hundred miles* that will serve specific recreational,

residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, \$175,000,000 for the fiscal year ending June 30, 1971; \$175,000,000 for the fiscal year ending June 30, 1972; \$180,000,000 for the fiscal year ending June 30, 1973; \$180,000,000 for the fiscal year ending June 30, 1974; \$185,000,000 for the fiscal year ending June 30, 1975; \$185,000,000 for the fiscal year ending June 30, 1976; \$185,000,000 for the fiscal year ending June 30, 1977; and \$180,000,000 for the fiscal year ending June 30, 1978. ~~\$250,000,000 for fiscal year 1978; \$300,000,000 for fiscal year 1979; \$300,000,000 for fiscal year 1980; and \$170,000,000 for fiscal year 1981.~~

(h) (1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs

of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c).

DEMONSTRATION HEALTH PROJECTS

SEC. 202(a). In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, nutrition, and child care projects, including hospitals, regional health diagnostic and treatment centers and other facilities and services necessary for the purposes of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit, *or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services*, and initial equipment) shall be made in accordance *with section 223 of this Act and shall not be incompatible* with the applicable provisions of 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 other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided

entirely from funds appropriated to carry out this section or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health and child development services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses. The Federal contribution to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal grant-in-aid programs. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection.

(e) In order to provide for the further development of the Appalachian region's human resources, grants under this section shall give special emphasis to programs and research for the early detection, diagnosis, and treatment of occupational diseases arising from coal mining, such as black lung.

LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region

determined by him to have control for the period of the agreement of the lands described therein providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner, operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590 (b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(i) Not to exceed \$19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1) (B) above except for the establishment of demonstration units.

(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations, which schools, institutions and organizations have the demonstrated capability to perform such research, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriate for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

(c) Not to exceed \$2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section.

MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania; [and to control or abate mine drainage pollution.] *to control and abate mine drainage pollution; and for planning or engineering for any such activities.* Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for *planning, engineering, or extinguishing* underground and outcrop mine fires in the region or to make grants to the States for carrying out such projects, in accordance with the applicable provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section. Such project costs may include the reasonable value (including donations), of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission), and such other materials (*including, but not limited to, sand, clay, stone, culm, rock, spoil bank and noncombustible materials*) and services as may be required for such project.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip

and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense;

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.】

(c) Whenever a State, local government, or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnifications agreement.

【(d) Not to exceed \$30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on

lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.】

(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law to be used for public recreation, conservation, community facilities, and public housing.

WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, Secretary of Transportation, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency,

or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF
PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS

SEC. 207. [(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or public bodies, for planning and obtaining federally insured mortgage financing for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the National Housing Act, in any area of the Appalachian region determined by the Commission.]

(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under 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, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission.

(b) No loan under subsection (a) of this section shall exceed 80 per centum of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary survey and analyses of market needs, preliminary site engineering and architectural fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such

terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

(c) (1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 80 per centum of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

[(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit organizations and public bodies for reasonable site development costs and necessary off-site improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic, feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant shall exceed 10 per centum of the cost of such project.]

(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary.

(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(e) The Secretary or the Commission may provide, or contract with public or private organizations to provide, information, advice, and technical assistance with respect to the construction, rehabilitation, and operation by nonprofit organizations of housing for low or moderate income families in such areas of the region and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section.

(f) *Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.*

* * * * *

PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

VOCATIONAL EDUCATION FACILITIES AND VOCATIONAL AND TECHNICAL EDUCATION DEMONSTRATION PROJECTS

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities and for the equipment and operation of such facilities and other school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provision therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) (1) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating [vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs.] *Education projects which will serve to demonstrate areawide education planning, services, and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling. Projects shall be selected with the involvement of all sectors of the community, including industry and labor.* Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this Act and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

(2) No grant for the construction or equipment of any component of [a vocational and technical] an education demonstration project shall exceed 80 per centum of its costs.

(3) Grants under this section for operation of components of [vocational and technical] education demonstration projects, whether or not constructed by funds authorized by this Act, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of [vocational and technical] education demonstration projects shall be

made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3134), an education-related facility constructed under title I of that Act may be a component of [a vocational and technical] an education demonstration project eligible for operating grant assistance under this section.

(4) No grant for expenses of planning necessary for the development and operation of [a vocational and technical] an education demonstration project shall exceed 75 per centum of such expenses.

[(5) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.]

(5) *No grant for planning, construction, equipment, or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body.*

(6) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the region, the President is authorized to provide funds to the Federal Cochairman to be used for all or any portion of the basic Federal contribution to projects or activities (hereinafter referred to as projects) under such Federal grant-in-aid programs authorized by Federal grant-in-aid Acts, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project.

Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

(b) The Federal portion of such costs shall not be increased in excess of the percentage established by the Commission, and shall in no event exceed 80 per centum thereof.

(c) [The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before December 31, 1974, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Series Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958.] *The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 U.S.C. 208); and title I of the Housing and Community Development Act of 1974. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any program relating to highway or road*

construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. For the purpose of this section, any sewage treatment works constructed pursuant to section 8(c) of the Federal Water Pollution Control Act without Federal grant-in-aid assistance under such section shall be regarded as if constructed with such assistance.

(d) Not to exceed \$97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

PART C—GENERAL PROVISIONS

MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditures for participation in the National System of Interstate and Defense Highways and expenditures of local funds and Federal funds shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

PROGRAM IMPLEMENTATION

SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be [compatible] *not incompatible* with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and [(2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling.] (2) *The Commission has approved such program or project and has deter-*

mined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies.

PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In considering programs and projects to be given assistance under this Act, and in establishing a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivision or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) to assist establishments relocating from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, mixed).

(c) *Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this Act.*

APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

SEC. 225 (a) *Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within*

the region. The State Development Plan shall reflect the goals, objectives, and priorities identified in the Regional Development Plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning including the procedures established by the State for the participation of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

(b) (1) *Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units Government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.*

(2) *The Commission shall encourage the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.*

(c) *To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.*

TITLE III—ADMINISTRATION

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or

by the State officer designated by the appropriate State Law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The President is authorized—

(1) to make grants to the Commission for administrative expenses, **[including technical services,]** *including the development of areawide plans or action programs and technical assistance activities*, of local development districts, but (A) the amount of any such grant shall not exceed 75 percentum of such expenses, (B) no grants for administrative expenses shall be made for a State agency certified as a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; **[and]**

(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and

[(2)] (3) to make grants to the Commission for investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities incident to such activities, which will further the purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate.

[(b)] The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action

program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

(3) Identify known methods and costs for the control and abatement of acid mine pollution.

(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program. **]**

(b) (1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the Region's energy resources; Provided, that no more than \$3,000,000 shall be obligated for such demonstration in any fiscal year.

(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal Agencies shall

Congress, a report on the activities carried out under this Act during such year.

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

[SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$268,500,000 for the two-fiscal year period ending June 30, 1971; \$282,000,000 for the two-fiscal-year period ending June 30, 1973; and \$294,000,000 for the two-fiscal-year period ending June 30, 1975.]

Sec. 401. In addition to the appropriations authorized in section 105 for administrative expense, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$267,000,000 for the two-fiscal-year period ending September 30, 1977.

APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham,

Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In Mississippi the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Cannon, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White.

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

All counties of West Virginia.

No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change.

The President is authorized and directed to make a study of the extent to which portions of upper New York State which are geographically part of the New England region or the Appalachian region and share the social and economic characteristics thereof should be included in either of such regions. He shall submit the results of such study together with his recommendations to Congress not later than June 30, 1970.

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act, other than section 201, shall cease to be in effect on **[July 1, 1975.]** *October 1, 1977.*

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

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TITLE I—GRANTS FOR PUBLIC WORKS AND DEVELOPMENT FACILITIES

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[SEC. 104. No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the "Appalachian region" (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.]

TITLE V—REGIONAL ACTION PLANNING COMMISSIONS

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SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the

region, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, provide funds pursuant to specific recommendations, to each of the Federal cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for all or any portion of the basic Federal contribution to projects under such Federal grant-in-aid programs authorized by the Federal grant-in-aid Acts and for the purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the regional commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets all of the requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. Funds may be provided for programs and projects in a State under this subsection only if the commission determines that the level of Federal and State financial assistance under titles of this Act other than this title, and under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on authorizations for appropriation in any other Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means all Federal grant-in-aid programs in existence on or before December 31, 1970, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; Airport and Airways Development Act of 1970; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized

by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

(d) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed \$255,000,000, and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed \$305,000,000 for the fiscal year ending June 30, 1974, to be available until expended, \$95,000,000, and for each of the fiscal years ending June 30, 1975, [and June 30, 1976.] to be available until expended, \$150,000,000[.], for the fiscal year ending June 30, 1976, to be available until expended, \$200,000,000, for the transition quarter ending September 30, 1976, to be available until expended \$50,000,000, and for the fiscal year ending September 30, 1977, to be available until expended, \$250,000,000. After deducting such amounts as are authorized to carry out subsections (a) (1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the regional commissions[.]. Apportionment shall be made on the basis of the following formula:

14 per centum on basis of equality of seven regional commissions, 14 per centum on basis of land areas of regional commissions, 28 per centum on basis of population of areas within regional commissions, and 44 per centum on basis of per capita income of areas served by regional commissions (weighted inversely).

All amounts appropriated under this authorization for any fiscal year shall be appropriated by the Secretary to the regional commissions prior to the end of the fiscal year for which appropriated.

(e) An application for a grant under this section shall be made through the State member of the commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance.

* * * * *

REGIONAL TRANSPORTATION SYSTEMS

SEC. 513. [(a) The Secretary of Transportation, acting jointly with the regional commissions, is authorized to conduct and facilitate full and complete investigations and studies of the needs of the economic development regions established under this title for regional transportation systems which will further the purposes of this Act, and in connection therewith, to carry out such demonstration projects as he determines to be necessary to the conduct of such investigations and studies. The Secretary of Transportation shall report to Congress not later than January 10, 1971, the results of such investigations and studies together with his recommendations and those of each regional commission.

(b) There is authorized to be appropriated not to exceed \$20,000,000 to carry out this section. Such amount shall be in addition to those sums otherwise authorized to be appropriated to carry out this title.]

(a) *Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional transportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.*

(b) *Each regional commission, with the assistance of the Secretary of Transportation, shall make grants for the planning of regional transportation networks and is authorized to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.*

(c) *No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.*

(d) *Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.*

* * * * *

ENERGY DEMONSTRATION PROJECTS

SEC. 515 (a) *Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environmental costs to the region experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economies could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, in-*

cluding problems of transportation, housing, community facilities and human services.

(b) Each regional commission is authorized to carry out energy related demonstration projects and programs within its regions including programs and projects addressing the social, economic and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resource development, requirements utilization and impact.

(c) Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.

DEMONSTRATION HEALTH PROJECTS

SEC. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health and nutrition including hospitals, regional health diagnostic and treatment centers and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the Regional Commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291a), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

VOCATIONAL EDUCATION DEMONSTRATION PROJECTS

SEC. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

(c) Grants under this section for operation of components of vocational and technical education demonstration projects, whether or not constructed by funds authorized by this title, may be made for

up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.

ADDITIONAL VIEWS OF MR. MONTOYA AND MR. DOMENICI

The bill reported by the committee recognizes the impact of today's energy situation on the development programs of the regional commissions and directs the Commissions to undertake planning, studies and energy related demonstration projects.

While we believe that these new authorities will be helpful, we are genuinely concerned that the Committee has not found the vehicle for providing the very substantial assistance which will be required in those areas experiencing monumental problems in the development of coal and other energy resources.

New Mexico belongs to the eight-state Rocky Mountain region which has become known as the nation's "energy breadbasket." This eight state region, which includes 26 percent of the land area of the United States but only 4 percent of the nation's population, contains nearly 50 percent of the nation's coal and oil shale and 95 percent of the nation's uranium. We are concerned that the development of this natural wealth be carried out properly so that the benefits will accrue to the people of the region. The regions must also avoid or minimize the adverse economic and social effects accompanying development.

We are interested in pursuing the role the Title V Regional Commissions can serve. Most importantly, the Commissions can help to assure that this new energy wealth will further the economic development of the region. Through its unique State-Federal partnership, the Commissions can provide comprehensive, regional analyses and planning. They can serve as a source of technical expertise and the center for information on the region. The Commissions through their technical assistance and project grant funds can direct and supplement the wide range of on-going Federal and State activities to meet energy related problems.

We agree with the committee report that the Commissions can make a substantial contribution. We do not believe, however, that the Commissions can provide the complete answer to the enormous energy development needs in manpower, transportation, air, reclamation, public services, housing, water, health—meeting all of the investment needs associated with large scale development.

In this bill the committee is attempting to carry out regional planning and demonstration projects to provide some long-term analysis and preparation.

As we gain more experience and knowledge about those needs, Congress will be asked to consider further legislation.

JOSEPH M. MONTOYA.
PETE V. DOMENICI.

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Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Development Act of 1975".

TITLE I

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1975".

SEC. 102. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended by inserting "(a)" after "SEC. 2." and adding the following new subsection:

"(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services."

SEC. 103. Section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended as follows:

(1) The third sentence of subsection (a) is amended to read as follows: "Each State member shall be the Governor."

(2) The last sentence of subsection (a) is amended by striking the period and inserting the following: "for a term of not less than one year."

(3) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional or subregional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act."

(4) The first sentence of subsection (c) is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff."

(5) Subsection (c) is amended by adding at the end thereof the following: "A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings."

SEC. 104. Subsection (d) of section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended to read as follows:

"(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State."

SEC. 105. Section 102 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 102) is amended by inserting "(a)" after "SEC. 102." and adding the following new subsection:

"(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia."

SEC. 106. Section 105(b) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended by adding at the end thereof the following new sentence: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed \$4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed \$800,000 shall be available for expenses of the Federal cochairman, his alternate and his staff), and not to exceed \$5,000,000 for the two-fiscal-year period ending September 30, 1979 (of such amount not to exceed \$900,000 shall be available for expenses of the Federal cochairman, his alternate and his staff)."

SEC. 107. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1979".

SEC. 108. Paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by inserting after the first sentence the following: "The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign."

SEC. 109. Section 107 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 107) is amended by inserting "(a)" after "Sec. 107." and adding the following new subsection:

"(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings."

SEC. 110. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The third sentence of subsection (a) is amended by striking "two thousand seven hundred miles" and inserting in lieu thereof "two thousand nine hundred miles"; and the fourth sentence of subsection (a) is amended by striking "one thousand six hundred miles" and inserting in lieu thereof "one thousand four hundred miles".

(2) Subsection (g) is amended by striking "and \$180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof "\$250,000,000 for fiscal year 1978; \$300,000,000 for fiscal year 1979; \$300,000,000 for fiscal year 1980; and \$170,000,000 for fiscal year 1981."

SEC. 111. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The second sentence of subsection (a) is amended by (A) inserting after "not operated for profit" the phrase "or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services if the Commission finds that but for the acquisition of such facility such health services would not be otherwise provided in the area served by such facility," and (B) inserting after "made in accordance" the phrase "with section 223 of this Act and shall not be incompatible".

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B."

SEC. 112. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a) (1) is amended by striking "and to control and abate mine drainage pollution." and inserting in lieu thereof "to control and abate mine drainage pollution; and for planning or engineering for any such activities."

(2) The first sentence of subsection (a) (2) is amended by inserting "planning, engineering, or" after "projects for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to, sand, clay, stone, culm, rock, spoil bank and noncombustible materials)" after "materials".

(4) Subsection (c) is amended to read as follows:

"(c) Whenever a State, local government, or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission

of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement.”

(5) Subsection (d) is amended to read as follows:

“(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law to be used for public recreation, conservation, community facilities, or public housing.”

SEC. 113. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (a) is amended to read as follows:

“(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the ‘Secretary’) is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under 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, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission.”

(2) Subsection (c) (2) is amended to read as follows:

“(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary.”

(3) Subsection (e) is amended by inserting before the period at the end, the following: “and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section”.

(4) By adding the following new subsection (f):

“(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.”

SEC. 114. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b) (1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate area-wide education planning, services, and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling. Projects shall be selected with the involvement of all sectors of the community, including industry and labor."

(2) Subsection (b) (2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3) (a) The first and third sentences of subsection (b) (3) are amended by striking out "vocational and technical".

(b) The fourth sentence of subsection (b) (3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b) (4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b) (5) is amended to read as follows:

"(5) No grant for planning, construction, equipment, or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body."

SEC. 115. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 Stat. 208); and title I of the Housing and Community Development Act of 1974."

SEC. 116. Clause (1) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended by striking "compatible" and inserting in lieu thereof "not incompatible". Clause (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows: "(2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under sec-

tion 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies.”

SEC. 117. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by adding at the end the following new subsection:

“(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this Act.”

SEC. 118. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

“APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

“SEC. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within the region. The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning, including the procedures established by the State for the participation of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

“(b) (1) Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units of government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

“(2) The Commission shall encourage the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.

“(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial

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assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities."

SEC. 119. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a) (1) is amended by striking "including technical services," and inserting in lieu thereof "including the development of areawide plans or action programs and technical assistance activities,".

(2) Subsection (a) is amended by striking "and" after paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph:

"(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and".

(3) Subsection (b) is amended to read as follows:

"(b) (1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources and the development and stimulation of indigenous arts and crafts of the region. No more than \$3,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year, and no more than \$2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.

"(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

"(3) The Commission shall conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on out-migration and the welfare of Appalachian migrants. The Commission is authorized to conduct pilot projects and demonstrations within the region in connection with such study.

"(4) The Commission shall conduct a study of physical hazards which are constraints on land use in the Appalachian region (with emphasis on mudslides, landslides, sink holes, and subsidence) and the risks associated with such hazards. To the extent practicable, such study shall identify high-risk hazard areas throughout the Appalachian region. The Commission shall submit its report on such study,

together with recommendations for means to remove or avoid such constraints on land use, to the Congress not later than twenty-four months after the enactment of this paragraph.”.

SEC. 120. Section 303 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 303) is amended to read as follows:

“APPROVAL OF DEVELOPMENT PLANS, INVESTMENT PROGRAMS, AND PROJECTS

“SEC. 303. State and Regional Development Plans and implementing investment programs, and any multistate subregional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101 (b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved implementing investment program; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and implementing investment program, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101 (b) of this Act.”.

SEC. 121. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended by adding at the end thereof the following new sentence: “In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201 (g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$340,000,000 for the period beginning July 1, 1975, and ending September 30, 1977, and \$300,000,000 for the two-fiscal year period ending September 30, 1979.”.

SEC. 122. (a) Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking “July 1, 1975” and inserting in lieu thereof, “October 1, 1979”.

(b) The Appalachian Regional Commission shall submit to Congress by July 1, 1977, a report on the progress being made on implementing section 2 (b) of the Appalachian Regional Development Act of 1965, the energy related enterprise development demonstration authority in section 302 of such Act, and other amendments made by this title.

SEC. 123. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

SEC. 124. To the extent that any section of this title provides new or increased authority to enter into contracts under section 201 of the Appalachian Regional Development Act of 1965, such new or increased authority shall be effective for any fiscal year only in such amounts as are provided in appropriation acts.

TITLE II

SEC. 201. This title may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

SEC. 202. Section 509(d) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188(a)), as amended, is amended, to read as follows:

"(d) (1) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed \$225,000,000; and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed \$305,000,000; for the fiscal year ending June 30, 1974, to be available until expended, \$95,000,000; for the fiscal year ending June 30, 1975, to be available until expended, \$150,000,000; for the fiscal year ending June 30, 1976, to be available until expended, \$200,000,000; for the transition quarter ending September 30, 1976, to be available until expended, \$50,000,000; and for the fiscal year ending September 30, 1977, to be available until expended, \$250,000,000. After deducting such amounts as are authorized to carry out subsections (a) (1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the regional commissions which have been established for more than two fiscal years.

"(2) There are authorized to be appropriated to the Secretary as are necessary for the management and authorized activities under this title of any new commissions for their first two full fiscal years, for the fiscal year ending June 30, 1976, to be available until expended, not to exceed \$5,000,000; for the transition quarter ending September 30, 1976, to be available until expended, not to exceed \$1,250,000; and for the fiscal year ending September 30, 1977, to be available until expended, not to exceed \$5,000,000."

SEC. 203. Section 513 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"REGIONAL TRANSPORTATION

"SEC. 513. (a) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional transportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.

"(b) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to make grants for the planning of regional transportation networks and to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

“(c) No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.

“(d) Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.”

SEC. 204. Title V of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

“ENERGY DEMONSTRATION PROJECTS AND PROGRAMS

“SEC. 515. (a) Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environmental costs to the regions experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economies could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

“(b) Each regional commission is authorized to carry out energy-related demonstration projects and programs within its regions including programs and projects addressing the social, economic, and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resource development, requirements, utilization, and impact. Each regional commission is authorized to carry out demonstration projects within its region in connection with the development and stimulation of indigenous art and crafts of the region.

“(c) Not to exceed \$5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out the energy-related provisions of this section, and not to exceed \$2,500,000 of such funds shall be expended in any one fiscal year for indigenous arts and crafts demonstrations.”

SEC. 205. Title V of such Act is further amended by adding the following new section at the end thereof:

"HEALTH AND NUTRITION DEMONSTRATION PROJECTS

"SEC. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, and nutrition projects including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the regional commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of 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 other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security

Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approached by the regional commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section."

SEC. 206. Title V of such Act is further amended by inserting at the end thereof the following new section :

"EDUCATION DEMONSTRATION PROJECTS

"SEC. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

"(c) Grants under this section for operation of components of vocational and technical educational demonstration projects, whether or not constructed by funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

“(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

“(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.”

SEC. 207. Each regional commission established pursuant to title V of the Public Works and Economic Development Act of 1965 shall submit to the Committees on Public Works of the Senate and House of Representatives within one hundred and twenty days after enactment of this Act the Regional Economic Development Plan required under section 503(a)(2) of the Public Works and Economic Development Act of 1965.

SEC. 208. (a) The second and third sentences of section 502(b) of the Public Works and Economic Development Act of 1965 are amended to read as follows: “Each State member shall be the Governor. The State members of the commission shall elect a cochairman of the commission from among their number for a term of not less than one year.”

(b) Section 502(c) of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new sentence: “No decision involving commission policy, approval of regional development plan, implementing investment programs, or allocating funds among the States may be made without a quorum of State members present.”

(c) The first sentence of section 502(d) of the Public Works and Economic Development Act of 1965 is amended to read as follows: “Each State member may have a single alternate, appointed by the Governor from among the members of the Governor’s cabinet or the Governor’s personal staff.”

(d) Such section 502(d) is further amended by adding at the end thereof the following new sentences: “A State alternate shall not be counted toward the establishment of a quorum of the commission in any instance in which a quorum of the State members is required to be present. No commission power or responsibility specified in the last sentence of subsection (c) of this section, nor the vote of any commission member, may be delegated to any person not a commission member or who is not entitled to vote in commission meetings.”

SEC. 209. (a) Section 501(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3181), as amended, is amended by inserting “and the Commonwealth of Puerto Rico and the Virgin Islands and the States of California and Texas” after “with the exception of Alaska and Hawaii.”

(b) Section 502(f) of such Act of 1965 (42 U.S.C. 3182) is amended by inserting after “Hawaii” the following “or the State of California or the State of Texas”, and by striking out “either” and inserting in lieu thereof “any such”.

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(c) It is the intent of Congress that the Secretary of Commerce acting under authority of title V of the Public Works and Economic Development Act of 1965 should invite and encourage the formation of a regional commission for the region along the border with Mexico in the States of Texas, New Mexico, Arizona, and California.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

December 19, 1975

Dear Mr. Director:

The following bills were received at the White House on December 19th:

✓ H.R. 3474 ✓	✓ H.R. 8631 ✓
✓ H.R. 4073 ✓	✓ H.R. 10555 ✓
✓ H.R. 5541 ✓	✓ H.R. 10792 ✓
✓ H.R. 6461 ✓	✓ H.R. 11016 ✓
✓ H.R. 7862 ✓	✓ H.R. 11172 ✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.