
16. RURAL REVITALIZATION THROUGH FORESTRY

[As Amended through the end of the First Session of the 108th
Congress (Public Law 108-198, Dec. 31, 2003)]

Q:\COMP\FORESTS\RURAL

December 31, 2003

16. RURAL REVITALIZATION THROUGH FORESTRY

Subtitle G of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 4045). Chapter 2 of this subtitle has its own short title. See section 2372.

Subtitle G—Rural Revitalization Through Forestry

Chapter 1—Forestry Rural Revitalization

SEC. 2371. [7 U.S.C. 6601] FORESTRY RURAL REVITALIZATION.

(a) ESTABLISHMENT OF ECONOMIC DEVELOPMENT AND GLOBAL MARKETING PROGRAM.—The Secretary of Agriculture, acting through the Extension Service and the Cooperative Extension System, and in consultation with the Forest Service, shall establish and implement educational programs and provide technical assistance to assist businesses, industries, and policymakers to create jobs, raise incomes, and increase public revenues in manners consistent with environmental concerns.

(b) ACTIVITIES.—Each program established under subsection (a) shall—

(1) transfer technologies to natural resource-based industries in the United States to make such industries more efficient, productive, and competitive;

(2) assist businesses to identify global marketing opportunities, conduct business on an international basis, and market themselves more effectively; and

(3) train local leaders in strategic community economic development.

(c) TYPES OF PROGRAMS.—The Secretary of Agriculture shall establish specific programs under subsection (a) to—

(1) delivery educational services focused on community economic analysis, economic diversification, economic impact analysis, retention and expansion of existing commodity and non-commodity industries, amenity resource and tourism development, and entrepreneurship focusing on forest lands and rural communities;

(2) use Cooperative Extension System databases and analytical tools to help communities diversify their economic bases, add value locally to raw forest product materials, and retain revenues by helping to develop local businesses and industries to supply forest products locally; and

(3) use the full resources of the Cooperative Extension Service, including land-grant universities and county offices, to promote economic development that is sustainable and environmentally sound.

(d) RURAL REVITALIZATION TECHNOLOGIES.—

(1) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service, in consultation with the State and Private Forestry Technology Marketing Unit at the Forest Products Laboratory, and in collaboration with eligible institutions, may carry out a program—

(A) to accelerate adoption of technologies using biomass and small-diameter materials;

(B) to create community-based enterprises through marketing activities and demonstration projects; and

(C) to establish small-scale business enterprises to make use of biomass and small-diameter materials.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2004 through 2008.

CHAPTER 2—NATIONAL FOREST-DEPENDENT RURAL COMMUNITIES

SEC. 2372. [7 U.S.C. 6601 note] SHORT TITLE.

This chapter may be cited as the “National Forest-Dependent Rural Communities Economic Diversification Act of 1990”.

SEC. 2373. [7 U.S.C. 6611] FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the economic well-being of rural America is vital to our national growth and prosperity;

(2) the economic well-being of many rural communities depends upon the goods and services that are derived from National Forest System land;

(3) the economies of many of these communities suffer from a lack of industrial and business diversity;

(4) this lack of diversity is particularly serious in communities whose economies are predominantly dependent on timber and recreation resources and where management decisions made on National Forest System land by Federal and private organizations may disrupt the supply of those resources;

(5) the Forest Service has expertise and resources that could be directed to promote modernization and economic diversification of existing industries and services based on natural resources;

(6) the Forest Service has the technical expertise to provide leadership, in cooperation with other governmental agencies and the private sector, to assist rural communities dependent upon National Forest System land resources resources to upgrade existing industries and diversify by developing new economic activity in non-forest-related industries; and

(7) technical assistance, training, education, and other assistance provided by the Department of Agriculture can be targeted to provide immediate help to those rural communities in greatest need.

(b) PURPOSES.—The purposes of this chapter are—

(1) to provide assistance to rural communities that are located in or near National Forest System land and that are economically dependent upon natural resources or are likely to be

economically disadvantaged by Federal or private sector land management practices;

(2) to aid in diversifying such communities' economic bases; and

(3) to improve the economic, social, and environmental well-being of rural America.

SEC. 2374. [7 U.S.C. 6612] DEFINITIONS.

As used in this chapter:

(1) The term "action team" means a rural natural resources and economic diversification action team established by the Secretary pursuant to section 2375(b).

(2) The term "economically disadvantaged" means economic hardship due to the loss of jobs or income (labor or proprietor) derived from forestry, the wood products industry, or related commercial enterprises such as recreation and tourism in the national forest.

(3) The term "rural community" means—

(A) any town, township, municipality, or other similar unit of general purpose local government, or any area represented by a not-for-profit corporation or institution organized under State or Federal law to promote broad based economic development, or unit of general purpose local government, as approved by the Secretary, that has a population of not more than 10,000 individuals, is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation, forage production, and tourism and that is located within the boundary, or within 100 miles of the boundary, of a national forest; or

(B) any county that is not contained within a Metropolitan Statistical Area as defined by the United States Office of Management and Budget, in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation, forage production, and tourism and that is located within the boundary, or within 100 miles of the boundary, of a national forest.

(4) The term "Secretary" means the Secretary of Agriculture.

SEC. 2375. [7 U.S.C. 6613] RURAL FORESTRY AND ECONOMIC DIVERSIFICATION ACTION TEAMS.

(a) **REQUESTS FOR ASSISTANCE.**—Economically disadvantaged rural communities may request assistance from the Secretary in identifying opportunities that will promote economic improvement and diversification and revitalization.

(b) **ESTABLISHMENT.**—Upon request, the Secretary may establish rural natural resources and economic diversification action teams to prepare an action plan to provide technical assistance to economically disadvantaged communities. The action plan shall identify opportunities to promote economic diversification and enhance local economies now dependent upon National Forest System

land resources. The action team may also identify opportunities to use value-added products and services derived from National Forest System land resources.

(c) ORGANIZATION.—The Secretary shall design and organize any action team established pursuant to subsection (b) to meet the unique needs of the requesting rural community. Each action team shall be directed by an employee of the Forest Service and may include personnel from other agencies within the Department of Agriculture, from other Federal and State departments and agencies, and from the private sector.

(d) COOPERATION.—In preparing action plans, the Secretary may cooperate with State and local governments, universities, private companies, individuals, and nonprofit organizations for procurement of services determined necessary or desirable.

(e) ELIGIBILITY.—The Secretary shall ensure that no substantially similar geographical or defined local area in a State receives a grant for technical assistance to an economically disadvantaged community under this chapter and a grant for assistance under a designated rural development program during any continuous five-year period.

(f) APPROVAL.—After reviewing requests under this section for financial and economic feasibility and viability, the Secretary shall approve and implement in accordance with section 2376 those action plans that will achieve the purposes of this chapter.

(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term “designated rural development program” means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)) for which funds are available at any time during the fiscal year.

SEC. 2376. [7 U.S.C. 6614] ACTION PLAN IMPLEMENTATION.

(a) IN GENERAL.—Action plans shall be implemented, insofar as practicable, to upgrade existing industries to use natural resources more efficiently and to expand the economic base of rural communities so as to alleviate or reduce their dependence on National Forest System land resources.

(b) ASSISTANCE.—To implement action plans, the Secretary may make grants and enter into cooperative agreements and contracts to provide necessary technical and related assistance. Such grants, cooperative agreements, and contracts may be with the affected rural community, State and local governments, universities, corporations, and other persons.

(c) LIMITATION.—The Federal contribution to the overall implementation of an action plan shall not exceed 80 percent of the total cost of the plan, including administrative and other costs. In calculating the Federal contribution, the Secretary shall take into account the fair market value of equipment, personnel, and services provided.

(d) AVAILABLE AUTHORITY.—The Secretary may use the Secretary’s authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) and other Federal, State, and local governmental authorities in implementing action plans.

(e) **CONSISTENCY WITH FOREST PLANS.**—The implementation of action plans shall be consistent with land and resource management plans.

SEC. 2377. [7 U.S.C. 6615] TRAINING AND EDUCATION.

(a) **PROGRAMS.**—In furtherance of an action plan, the Secretary may use the Extension Service and other appropriate agencies of the Department of Agriculture to develop and conduct education programs that assist businesses, elected or appointed officials, and individuals in rural communities to deal with the effects of a transition from being economically disadvantaged to economic diversification. These programs may include—

- (1) community economic analysis and strategic planning;
- (2) methods for improving and retooling enterprises now dependent on national forest resources;¹
- (3) methods for expanding enterprises and creating new economic opportunities by emphasizing economic opportunities in other industries or services not dependent on National Forest System land resources; and
- (4) assistance in the evaluation, counseling, and enhancement of vocational skills, training in basic and remedial literacy skills, assistance in job seeking skills, and training in starting or operating a business enterprise.

(b) **EXISTING EDUCATIONAL AND TRAINING PROGRAMS.**—Insofar as practicable, the Secretary shall use existing Federal, State, and private education resources in carrying out these programs.

SEC. 2378. [7 U.S.C. 6616] LOANS TO ECONOMICALLY DISADVANTAGED RURAL COMMUNITIES.

(a) **IN GENERAL.**—The Secretary, under such terms and conditions as the Secretary shall establish, may make loans to economically disadvantaged rural communities for the purposes of securing technical assistance and services to aid in the development and implementation of action plans, including planning for—

- (1) improving existing facilities in the community that may generate employment or revenue;
- (2) expanding existing infrastructure, facilities, and services to capitalize on opportunities to diversify economies now dependent on National Forest System land resources; and
- (3) supporting the development of new industries or commercial ventures unrelated to National Forest System land resources.

(b) **INTEREST RATES.**—The interest rates on a loan made pursuant to this section shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such loan, plus not to exceed 1 percent, as determined by the Secretary, and rounded to the nearest one-eighth of 1 percent.

¹Section 345(e) of the Department of the Interior and Related Agencies Appropriations Act, 2000, as enacted into law by section 1000(a)(3) of Public Law 106-113 (113 Stat. 1501A-204), sought to amend paragraphs (3) and (4) of section 2377(a) by striking “national forest resources” and inserting “National Forest System land resources”. The amendment should have been to “paragraphs (2) and (3)”, rather than “paragraphs (3) and (4)”.

SEC. 2379. [7 U.S.C. 6617] AUTHORIZATION OF APPROPRIATIONS AND SPENDING AUTHORITY.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Except as provided in subsection (b), there are authorized to be appropriated—

(1) an amount not to exceed 5 percent of the sum of—

(A) the sums received by the Secretary from sales of timber and other products of the forests; and

(B) user fees paid in connection with the use of forest lands; and

(2) such additional sums as may be necessary to carry out the purposes of this chapter.

(b) **LIMITATION ON AUTHORIZATION.**—Subsection (a) shall not in any way affect payments to the States pursuant to chapter 192 of the Act of May 23, 1908 (16 U.S.C. 500).

(c) **SPENDING AUTHORITY.**—Any spending authority (as defined in section 401 of the Congressional Budget Act of 1974) provided in this chapter shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.