

**EDA REGULATIONS: PART 300 GENERAL INFORMATION  
COMPARISON OF 1999 EXISTING RULES VS 2005 INTERIM-FINAL RULES**

<b>CURRENT FEDERAL REGULATIONS (1999)</b>	<b>INTERIM FINAL RULES (2005)</b>	<b>ANALYSIS / COMMENTS</b>
<p>Sec. 300.1 Introduction and <del>purpose</del>.</p> <p>(a) Introduction. Is your community suffering from severe economic distress (e.g., high unemployment, low income, sudden economic changes, etc.)? Are you a representative of a State or local unit of government, Indian tribe, public or private nonprofit organization, educational institution, or community development corporation looking for grant assistance to enhance your opportunities for economic development? If so, these regulations of the Economic Development Administration (EDA) of the U.S. Department of Commerce may be of help. These regulations tell you the purpose of EDA and outline the program requirements, project selection process, project evaluation criteria, and other relevant matters. The information in these regulations covers grant programs of EDA that provide financial awards for the following:</p> <p>Public Works and Development Facilities; Planning; Research, Evaluation, Training and Technical Assistance; Trade Adjustment Assistance; and Economic Adjustment Assistance.</p> <p>(b) What is the Purpose of the Economic Development Administration?            (1) Many communities lag behind and suffer economic distress in one form or another, such as:            High unemployment; Low income; Underemployment; Outmigration; Sudden</p>	<p>Sec. 300.1 Introduction and <b>mission</b>.</p> <p><b>EDA was created by Congress pursuant to the Public Works and Economic Development Act of 1965 to provide financial assistance to both rural and urban distressed communities. EDA’s mission is to lead the federal economic agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA will fulfill its mission by fostering entrepreneurship, innovation and productivity through Investments in infrastructure development, capacity building and business development in order to attract private capital investments and higher-skill, higher-wage jobs to Regions experiencing substantial and persistent economic distress. EDA works in partnership with distressed Regions to address problems associated with long-term economic distress as well as to assist those Regions experiencing sudden and severe economic dislocations, such as those resulting from natural disasters, conversions of military installations, changing trade patterns and the depletion of natural resources. EDA Investments generally take the form of Grants to or Cooperative Agreements with Eligible Recipients.</b></p>	<p>Consolidates scope and purpose of EDA and essentially streamlines agency’s mission. However, does not define the types of distress that assistance programs are designed to remedy. Does not highlight the critical role that planning plays in the agency’s mission. Only generically refers to assistance programs and seems to shift the focus of EDA’s mission from job retention and job creation at the local level to increasing production and efficiency of communities to compete in global markets.</p>

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<p>economic changes due to the restructuring or relocation of industrial firms; Closing or realignment of defense bases or cutbacks in defense procurement; Economic impact of natural disasters or other emergencies; Actions of the Federal government (such as environmental requirements) that curtail or remove economic activities; and Impacts of foreign trade.</p> <p>(2) The purpose of the Economic Development Administration is to address economic problems affecting economically distressed rural and urban communities; by helping them:</p> <p>(i) Develop and strengthen their economic development planning and institutional capacity to design and implement business outreach and development programs; and</p> <p>(ii) Develop or expand public works and other facilities, financing tools, and resources that will create new job opportunities, save existing jobs, retain existing businesses, and support the development of new businesses.</p> <p>(3) To promote a strong and growing economy throughout the United States, EDA works in partnership with State and local governments, Indian tribes and local, regional, and State public and private nonprofit organizations. With them EDA develops and carries out comprehensive economic development strategies that address the economic problems of distressed communities. EDA helps such communities increase their economic development capacities so that they can take advantage of existing resources and development opportunities.</p>		

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	<p><b>Sec. 300.2 EDA Headquarters and regional offices</b></p> <p><b>(a) EDA’s Headquarters Office is located at: U.S. Department of Commerce Economic Development Administration 14th Street and Constitution Avenue, N.W. Washington, D.C. 20230</b></p> <p><b>(b) EDA has regional offices throughout the United States and each regional office’s contact information may be found on EDA’s Internet website at <a href="http://www.eda.gov">www.eda.gov</a> or in the notice of Federal Funding Opportunity published annually by EDA. Please contact the appropriate regional office to learn about EDA Investment opportunities in your Region.</b></p>	<p>Renumbered section that is similar to provisions in current section 300.2 (definitions) regarding the Economic Development Administration.</p>
<p>Sec. 300.2 Definitions.</p> <p>Unless otherwise defined in other parts or sections of this Chapter, the terms listed are defined as follows:</p> <p><i>Comprehensive Economic Development Strategy, CEDS, or strategy</i> means a strategy approved by EDA under Sec. 301.3 of this chapter.</p>	<p><b>300.3 Definitions.</b></p> <p>As used in this chapter, the following terms shall have the following meanings:</p> <p><b><i>Assistant Secretary</i> means the Assistant Secretary for Economic Development within the Department.</b></p> <p><b><i>Comprehensive Economic Development Strategy or CEDS</i> means a strategy that meets the requirements of § 303.7 of this chapter.</b></p>	

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<p><i>Department</i> means the Department of Commerce.</p> <p><i>Economic Development District or district:</i> (1) Means any area in the United States that has been designated by EDA as an Economic Development District under <del>Sec. 302.1 of these regulations;</del> and (2) Includes any Economic Development District designated by EDA under sec. 403 of the Public Works and Economic Development Act of 1965, <del>as amended,</del> as in effect on the day before the effective date of Public Law 105-393.</p> <p><i>EDA</i> means the Economic Development Administration in the U.S. Department of Commerce <del>when a place or agency is intended, and refers to the headquarters office in Washington, D.C., or a regional office, as appropriate; or it means the Assistant Secretary of Commerce for Economic Development or his/her designee when a person is intended. The locations of EDA's offices are listed each year in a Notice of Funding Availability (NOFA). The general</del></p>	<p><b><i>Cooperative Agreement</i> means the financial assistance award of EDA funds to an Eligible Recipient under PWEDA, where substantial involvement is expected between EDA and the Eligible Recipient in carrying out the activities contemplated in an agreement between the parties. See 31 U.S.C. 6305.</b></p> <p><i>Department</i> means the <b>U.S.</b> Department of Commerce.</p> <p><b><i>District Organization</i> means an organization meeting the requirements of § 304.2 of this chapter.</b></p> <p><i>Economic Development District or EDD</i> means any Region in the United States designated by EDA as an Economic Development District under <b>§ 304.1 of this chapter</b> and also includes any economic development district designated as such under Section 403 of PWEDA, as in effect on <b>February 10, 1999.</b></p> <p><i>EDA</i> means the Economic Development Administration within the Department.</p>	<p>The definition of an <i>Economic Development District</i> is clarified to state that the Economic Development District refers to the label of a regional area while the term <i>District Organization</i> refers to the organization formed under § 304.1 of the interim-final rule. <b>The EDD section also curtails the mission, responsibilities and operations of EDDs.</b></p> <p>Grandfathers in all EDDs existing as of February 1999.</p> <p><i>EDA</i> redefined in previous section.</p>

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<p>information telephone number for EDA is <del>(202) 482-2309.</del></p> <p><i>Eligible applicant</i> means:            (1) In general,--                (i) An entity qualified to be an eligible recipient, or                (ii) Its authorized representative.  <del>(2) Except in the case of Research, Evaluation, Training, or Technical Assistance grants under part 307, a private individual or for-profit organization cannot be an eligible applicant.</del></p> <p><i>Eligible recipient</i> means            (1) In general,--                <del>(i) An area described in Sec. 301.2 of these regulations;</del>                <del>(ii) An Economic Development District;</del>                <del>(iii) An Indian tribe or a consortium of Indian tribes;</del>                (iv) A State;                (v) A city or other political subdivision of a State or a consortium of political subdivisions;                (vi) An institution of higher education or a consortium of institutions of higher education;            or                (vii) A public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.            (2) In the case of Research, Evaluation, Training, and Technical Assistance grants under part 307, eligible recipient also includes private individuals and for-profit organizations.</p>	<p><i>Eligible Applicant</i> means an entity qualified to be an Eligible Recipient or its authorized representative.</p> <p><i>Eligible Recipient</i> means a(n):            (1) City or other political subdivision of a State, including a special purpose unit of State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;            (2) State;            (3) Institution of higher education or a consortium of institutions of higher education;            (4) Public or private non-profit organization or association, <b>including a community or faith-based non-profit organization</b>, acting in cooperation with officials of a political subdivision of a State;            (5) <b>District Organization</b>;            (6) Indian Tribe; or            (7) Private individual or for-profit organization, but only for Training, Research and Technical Assistance Investments under part 306 of this chapter.</p>	<p>Per the new 2004 reauthorization law, definition is expanded to specifically include community and faith-based non-profit organizations. <b>EDDs are now referred to as <i>District Organizations</i> under the definitions section.</b></p>



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<p><i>Grant</i> means the <del>non-procurement</del> award of EDA funds to an eligible recipient under PWEDA or the Trade Act, as applicable. The term includes a cooperative agreement, within the meaning of chapter 63 of title 31, United States Code.</p>	<p><i>Grant</i> means the <b>financial assistance</b> award of EDA funds to an Eligible Recipient under PWEDA, <b>where the Eligible Recipient bears responsibility for carrying out the activities contemplated in an agreement between the parties. See 31 U.S.C. 6304.</b></p> <p><b><i>Immediate Family</i> means a person's spouse, parents, grandparents, siblings, children and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person.</b></p> <p><b><i>In-Kind Contribution(s)</i> means non-cash contributions, which may include contributions of space, equipment, services and assumptions of debt that are fairly evaluated by EDA and that satisfy applicable federal cost principles and the Uniform Administrative Requirements of 15 CFR parts 14 and 24 (as applicable).</b></p>	<p>New definition relates to new conflict of interest provisions and requirements under Section 302.17.</p> <p>Definition is added to clarify meaning of in-kind contributions.</p>

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<p><i>Indian tribe</i> means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native Village or Regional Corporation (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. <del>The term includes: The governing body of a tribe, nonprofit Indian corporation (restricted to Indians), Indian authority, or other nonprofit tribal organization or entity, provided that the tribal organization or entity is wholly owned by, and established for the benefit of, the tribe or Alaska Native Village.</del></p>	<p><i>Indian Tribe</i> means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native Village or Regional Corporation as defined in or established under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.</p> <p><b><i>Interested Party</i> means any officer, employee or member of the board of directors or other governing board of the Recipient, including any other parties that advise, approve, recommend or otherwise participate in the business decisions of the Recipient, such as agents, advisors, consultants, attorneys, accountants or shareholders. An Interested Party also includes the Interested Party's Immediate Family and other persons directly connected to the Interested Party by law or through a business arrangement.</b></p> <p><b><i>Investment or Investment Assistance</i> means an EDA Grant or Cooperative Agreement entered into by EDA and a Recipient.</b></p>	<p>New definition relates to modified conflict of interest provisions under Section 302.17.</p> <p>Definition replaces former term of <i>Grant</i>.</p>

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<p><del>Local share, matching share or local share match are used interchangeably</del> to mean non-Federal funds or goods and services provided by recipients or third parties that are required as a condition of a grant, and includes funds from other Federal agencies only if there is statutory authority allowing such use.</p> <p><del>Notice of Funding Availability or NOFA, refers to the notice or notices EDA publishes each year in the Federal Register and on EDA's internet web site, <a href="http://www.doc.gov/eda">http://www.doc.gov/eda</a>, describing the available amounts, particular procedures, priorities, and special circumstances for the EDA grant programs for that year.</del></p> <p>Presidentially-declared disaster means a major disaster or emergency declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).</p>	<p><b>Investment Rate(s)</b> means, as set forth in § 301.4 of this chapter, the amount of the EDA Investment in a particular Project expressed as a percentage of the total Project costs.</p> <p><b>Local Share or Matching Share</b> means the non-EDA funds <b>and any In-Kind Contributions that are approved by EDA</b> and provided by Recipients or third parties as a condition of an <b>Investment</b>. The Matching Share may include funds from other Federal Agencies only if authorized by statute that allows such use, <b>which may be determined by EDA's reasonable interpretation of such authority</b>.</p> <p><b>Presidentially-Declared Disaster</b> means a major disaster or emergency declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, <b>as amended</b> (42 U.S.C. 5121 et seq.).</p>	<p><b>Definition references section that outlines the specific federal share of project investments. EDD and University Center grants are now subject to distress criteria of their service area rather than the flat 50-505 or 75-25% rate set in the 1999 regulations. New rules change typical minimum contribution of project investments by EDA from 50% to 30%</b></p> <p>New rules clarify definition to specifically include in-kind contributions.</p> <p>Definition of NOFA is replaced by term Federal Funding Opportunity (FFO).</p>

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<p><del>PWEDA means the Public Works and Economic Development Act of 1965, as amended (Pub. L. 89-136, 42 U.S.C. 3121 et seq.), including the Comprehensive amendments by the Economic Development Administration Reform Act of 1998 (Pub. L. 105-393). (The term "PWEDA" was used to refer to EDA's authorizing legislation as it was in effect before the effective date of Public Law 105-393, signed into law on November 13, 1998. In these regulations, the term "PWEDA" refers to the legislation as currently amended by the 1998 law.)</del></p> <p><i>Project</i> means the activity or activities the purpose of which fulfills EDA program requirements and that EDA funds in whole or in part.</p>	<p><b><i>Private Sector Representative</i> means, with respect to any for-profit enterprise, any senior management official or executive holding a key decision-making position.</b></p> <p><b><i>Project</i> means the proposed or authorized activity (or activities) the purpose of which fulfills EDA's mission and program requirements as set forth in PWEDA and this chapter and which may be funded in whole or in part by EDA Investment Assistance.</b></p> <p><b><i>PWEDA</i> means the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 et seq.), including the comprehensive amendments made by the Economic Development Administration Reauthorization Act of 2004 (Public Law 108-373).</b></p>	<p><b>Definition is added to address new requirements of private sector control of CEDS committees, Regional Planning Organizations, District Organization boards, and the overall planning and project development processes.</b></p>

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<p><del>Proposed District means a geographic entity composed of one or more eligible areas proposed for designation as an Economic Development District.</del></p> <p><del>Recipient and grantee are used interchangeably to mean an entity receiving funds from EDA under PWEDA or the Trade Act, as applicable, and includes any EDA approved successor to such recipient.</del></p>	<p><i>Recipient</i> means an entity receiving EDA <b>Investment Assistance</b>, including any EDA approved successor to the <b>entity</b>.</p> <p><b>Region or Regional</b> means an economic unit of human, natural, technological, capital or other resources, defined geographically. Geographic areas comprising a Region need not be contiguous or defined by political boundaries, but should constitute a cohesive area capable of undertaking self-sustained economic development. For the limited purposes of determining economic distress levels and Investment Rates pursuant to part 301 of this chapter, a Region may also comprise a specific geographic area defined solely by its level of economic distress, as set forth in § 301.3(a)(2) and 301.3(a)(3) of this chapter.</p>	<p>References are deleted to designated-but-unfunded EDDs and proposed EDDs.</p> <p><b>New definition of <i>Region</i> changes traditional emphasis on defining areas by political or geographic boundaries, and focuses on defining regions by economic interests.</b></p>

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	<p><b><i>Regional Commission</i></b> means any of the following:  <b>(1) The Appalachian Regional Commission established under chapter 143 of title 40, United States Code;</b>  <b>(2) The Delta Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa et seq.);</b>  <b>(3) The Denali Commission established under the Denali Commission Act of 1998 (42 U.S.C. 3121 note; 112 Stat. 2681-637 et seq.); or</b>  <b>(4) The Northern Great Plains Regional Authority established under subtitle G of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb et seq.).</b></p> <p><b><i>Special Impact Area</i></b> means a Region served by a Project for which the requirements of Section 302 of PWEDA and § 303.7 of this chapter have, upon an application filed by an Eligible Recipient pursuant to Section 214 of PWEDA and part 310 of this chapter, been waived in whole or in part by the Assistant Secretary.</p>	<p>Definition is updated to reflect the 2004 reauthorization law and establishment of new federal-state regional commissions in recent years.</p> <p>New definition implements provisions of 2004 reauthorization law.</p>

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<p><i>State</i> means a State, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.</p>	<p><b><i>Special Need</i> means a circumstance or legal status arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, including:</b></p> <ul style="list-style-type: none"> <li><b>(1) Substantial outmigration or population loss;</b></li> <li><b>(2) Underemployment; that is, employment of workers at less than full-time or at less skilled tasks than their training or abilities permit;</b></li> <li><b>(3) Military base closures or realignments, defense contractor reductions-in-force, or U.S. Department of Energy defense-related funding reductions;</b></li> <li><b>(4) Natural or other major disasters or emergencies;</b></li> <li><b>(5) Extraordinary depletion of natural resources;</b></li> <li><b>(6) Closure or restructuring of industrial firms;</b></li> <li><b>(7) Negative effects of changing trade patterns; or</b></li> <li><b>(8) Other circumstances set forth in an FFO.</b></li> </ul> <p><i>State</i> means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.</p>	<p>New definition implements provisions of 2004 reauthorization law. Conditions were previously outlined in section dealing with project eligibility.</p>

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<p><i>The Trade Act</i> means Title II, Chapters 3 and 5, of the Trade Act of 1974, as amended (19 U.S.C. 2341, et seq.).</p> <p><i>United States</i> means all of the States.</p>	<p><i>Trade Act</i> means Title II, Chapters 3 and 5, of the Trade Act of 1974, as amended (19 U.S.C. 2341 et seq.).</p> <p><i>United States</i> means all of the States</p>	<p>Definition of a <b>University Center</b> is contained in the 2004 reauthorization law and described under §306.4 in the interim-final rules.</p>