

April 6, 2005

The Honorable Ron Wyden
United States Senator
777 13th Street, S.E., Suite 110
Salem, Oregon 97301

Dear Senator Wyden:

It has come to my attention, that the President is considering major restructuring of and reductions to the Community Development Block Grant Programs and Economic Development Administration programs (EDA). The \$16,000,000 the state receives from HUD's CDBG program for rural and distressed communities is critical to Oregon's ability to achieve economic stability.

As you know, these funds are often the only means by which rural communities can develop their infrastructure. By helping rural communities fund sewer and water infrastructure they are able to attract new businesses and help local businesses expand. It also helps fund vital community facilities such as medical centers in our most distressed areas.

The EDA has also been very instrumental in the financing of community infrastructure, revolving loan programs and economic planning grants that are the basis of much of Oregon's current economic recovery. The recent announcement that Google would be siting a new facility in Oregon, bringing over 350 new jobs to The Dalles, a rural community, would not have been possible without the nearly \$500,000 in federal loans for infrastructure at their industrial park. With this money, the City of The Dalles was able to leverage an additional \$776,000 in state and local funding.

On behalf of the citizens of Oregon, thank you in advance for any assistance you can provide in ensuring the continuation of funding for these programs.

Sincerely,

THEODORE R. KULONGOSKI
Governor