

November 1, 2011

TO THE MEMBERS OF THE UNITED STATES HOUSE OF REPRESENTATIVES:

Support the Economic Development Administration (EDA)

United States Conference of Mayors
National Association of Counties
National Association of Towns and Townships
National Association of Development Organizations
American Planning Association
American Public Works Association
Association of University Research Parks
Council for Community & Economic Research
Educational Association of University Centers
International Economic Development Council
National Business Incubation Association
State Science & Technology Institute

As you consider this year's challenging budget decisions, we urge you to support appropriations and reauthorization legislation that keeps communities strong and economically viable at a time when our nation needs it the most. *Specifically, we urge you to support the U.S. Department of Commerce's Economic Development Administration (EDA).*

Please consider the following:

EDA is unique among federal development programs. While other federal programs support broader community development activities, EDA is the only federal agency focused solely on economic development and job creation/retention. *EDA investments do not go to private companies as recently misstated. Instead, EDA invests in local governments, nonprofits and communities.*

By federal law, EDA projects typically require a 50 percent local cost share and significant private sector investment, ensuring that local leaders and businesses are committed to the project's success. EDA investments are focused on high quality jobs, especially in advanced manufacturing, science and technology, and emerging knowledge-based industries and sectors.

By federal law, EDA project investments must be tied into a regional Comprehensive Economic Development Strategy (CEDS) developed and vetted by local officials and their communities—this helps ensure projects have significant local support and are part of a broader regional plan, rather than just isolated, uncoordinated local projects.

EDA's grants are awarded on a competitive basis by the agency's six regional offices. EDA and its local partners focus on the fundamental building blocks for economic development. EDA's infrastructure investments are targeted at essential facilities and assets like water and wastewater systems, middle mile broadband networks, workforce training centers, business incubators, intermodal facilities and science and research parks. These assets are often lacking in the nation's most distressed areas, yet they are a prerequisite for private industry to remain or locate in these areas. As we have witnessed in recent years, private companies will relocate to places with these basic yet vital public infrastructure assets, including outside of the United States.

Two major independent studies conducted within the past ten years have concluded that EDA projects have a significant impact on employment levels in communities where EDA investments are made. The most recent analysis released by Grant Thornton and ASR Analytics in September 2008 found that EDA's public works program generates "between 2.2 and 5.0 jobs per \$10,000 in incremental EDA funding, at a cost per job of between \$2,001 and \$4,611." These results mirror an exhaustive study of EDA's public works and economic adjustment assistance programs by Rutgers University and a consortium of researchers in 1998. EDA's job creation and private sector leveraging ratios are highly cost effective and rank at the very top of any public economic development agency.

EDA recently received an overwhelming show of bipartisan congressional support. During the U.S. House of Representatives debate on the Full Year Continuing Appropriations Act of 2011 (H.R. 1), Rep. Michael Michaud (D-ME) successfully offered an amendment to restore a proposed \$80 million cut, or 33 percent reduction, in EDA's FY2011 funding. The House agreed, by an overwhelmingly bipartisan vote of 305 to 127, to retain EDA's funding at the FY2010 enacted level. *With 60 percent of the Republican caucus and 83 percent of the Democratic caucus supporting full funding for EDA, this was a clear demonstration of Congressional support for the agency and the need for future strategic public investments for economic development.*

As our organizations can attest, EDA is a highly effective agency that serves as an invaluable partner for public and private sector leaders who are working diligently each and every day to enhance their regions' economic vitality and competitiveness in today's rapidly expanding global marketplace. It remains clear that the keys to EDA's repeated successes remain its flexible program tools, its long-standing partnerships with regional and local economic development organizations, and its focus on investing in locally- and regionally-driven strategies and infrastructure projects that are tied to leveraging private sector job creation and retention activities.

With nearly 15 million Americans unemployed and the country's unemployment rate near nine percent, now is the time to ensure that the only federal agency solely focused on private sector job creation has the resources needed to help thousands of communities and businesses recover from plant closures and downsizings, powerful natural disasters, dwindling access to credit and capital, and increased foreign competition.

Thank you for your consideration of this important request.