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March 16, 2023

To: [techhubs@eda.gov](mailto:techhubs@eda.gov)

RE: Tech Hubs RFI

**NADO Response to EDA Request for Information (RFI) on Implementation of the Regional Technology and Innovation Hub Program**

The National Association of Development Organizations (NADO) appreciates the opportunity to provide comments regarding the U.S. Department of Commerce Economic Development Administration (EDA) Regional Technology and Innovation Hub program. NADO is eager to see this program implemented.

NADO represents the nearly 400 EDA-designated Economic Development Districts (EDDs) that undertake local and regional planning activities to help steward subsequent federal investments from EDA and other agencies. EDDs assist with project planning and implementation, and develop EDA-approved Comprehensive Economic Development Strategies (CEDS).

**Utilization of EDA-Designated Economic Development Districts to Support Tech Hubs Planning Activities**

NADO applauds the commitment as written within the statute of the Tech Hubs program to ensure that the use of Tech Hubs funds include *“coordination of locally defined* ***planning processes****…relating to developing a comprehensive regional technology strategy.”*

The authorizing statute for the Tech Hubs program classifies “***district organizations,*** *as defined in section 300.0 of title 13 CFR*” as eligible Tech Hub grantees/consortia members. The statutory definition of “district organizations” includes Economic Development Districts (EDDs).

The Tech Hubs statute also states that eligible uses of the funds under the Tech Hubs program shall include *“coordination of locally defined* ***planning processes,”*** as well as*“development or updating of goals to implement an* ***existing comprehensive regional plan.”***

Accordingly, **the success of the Tech Hubs program will hinge on the involvement of EDDs as core frontline partners.** EDDs should be utilized to support all planning and implementation activities associated with Tech Hub awards. The use of EDDs as core partners should be emphasized in efforts to adhere to the statutory guidance for Tech Hubs related to “planning processes” and “comprehensive plans” in particular. This is a natural role for EDDs given that they have served as the core partners at the local level that have led local planning processes that lay the groundwork for the subsequent EDA investment, ever since EDA’s creation in 1965. In implementing the Tech Hubs program, **it is crucial for EDA to leverage the expertise of EDDs in every aspect of the administration of the Tech Hubs program,** taking full advantage of the EDDs’ abilities to skillfully lead the planning processes that will ultimately shape the development of Tech Hubs strategies and activities. EDDs are the best equipped local partners to develop regional strategies, lead planning processes, and align new initiatives with existing EDA-approved CEDS, because EDDs have the most expertise locally about the existing CEDS plans.

**Specifically, in regulatory guidance, NADO encourages EDA to:**

1. Award preference points to Tech Hubs applicants that include one or more EDDs as consortia members;
2. Award preference points to Tech Hubs applicants that demonstrate alignment with existing Comprehensive Economic Development Strategies (CEDS);
3. Provide dedicated infusions of administrative funding directly to any and all EDDs within the geographic region of a Tech Hubs award to help support those EDDs in their efforts to help coordinate Tech Hub activities;
4. Ensure within regulatory guidance that the creation of Tech Hubs “Comprehensive Regional Technology Strategies” (CRTS) align directly with existing Comprehensive Economic Development Strategies (CEDS). The Tech Hubs guidance should specify that the CRTS planning process will become an element of the CEDS planning process. Ultimately, CRTS plans should be integrated with existing regional CEDS plans.

Conversely, NADO strongly ***cautions EDA against*** creating alternative or duplicative planning entities in addition to the existing network of EDDs. Similarly, NADO **cautions EDA against** creating a process for the Tech Hubs CRTS that does not directly align with the CEDS.

**Inclusion of Small and Rural Communities**

NADO applauds the commitment as written within the statute for the Tech Hubs program to “*support regional economic development and resilience, including in* ***small cities and rural areas****.”*

The success of the Tech Hubs program will hinge on the inclusion of rural communities. The Tech Hubs program’s authorizing language requires that at least one third of designated Tech Hubs must *“****significantly benefit small and rural communities****,”* with small and rural communities being defined as *“micropolitan areas, noncore areas, or metropolitan statistical areas with a population of no more than 250,000.”*

Furthermore, the Tech Hubs statute requires that the Secretary shall establish a *“minimum threshold of rural representation.”*

Accordingly, NADO encourages EDA to include specific criteria and metrics in order to operationalize a "significant benefit” to rural communities and a meaningful threshold of rural representation. Examples of such metrics and criteria are:

* **Percentage of the population served that resides within a small or rural community**
* **Percentage of Tech Hub consortia members located within small or rural communities**

**To further encourage geographic and demographic diversity, NADO also encourages EDA to consider:**

1. Going beyond the minimum threshold specified in the Tech Hubs statute to designate *“at least 20 hubs.”* NADO encourages EDA to go beyond this and make an even larger number of awards, thereby spreading the benefit of the Tech Hubs program more widely, and ensuring greater geographic diversity.
2. Going beyond the minimum requirement of at least one third of Tech Hubs benefiting “small and rural communities” with a population of no more than 250,000. NADO encourages EDA to go beyond this by:
   1. Ensuring that **at least half** of Tech Hubs significantly benefit small and rural communities **below 250,000 population**
   2. Ensuring that **at least a third** of Tech Hubs benefit rural communities **below 100,000 population**

NADO is committed to lending our support to EDA as it implements the Tech Hubs program.

On behalf of NADO’s membership, we thank EDA for your continued partnership, support, and investment in EDDs across the country.

Sincerely,

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Joe McKinney, Executive Director

National Association of Development Organizations (NADO)