

June 3, 2011

TO THE MEMBERS OF THE UNITED STATES SENATE:

---

American Planning Association

American Public Works Association

Association of University Research Parks

Educational Association of University Centers

International Economic Development Council

National Association of Counties

National Association of Development Organizations

National Business Incubation Association

State Science & Technology Institute

United States Conference of Mayors

University Economic Development Association

---

As you consider this year's challenging budget decisions, we urge you to support legislation that keeps communities strong and economically viable at a time when our nation needs it the most. **Specifically, during the upcoming Senate floor debate, we urge you to support the Economic Development Revitalization Act of 2011 (S. 782), a multi-year reauthorization bill for the U.S. Department of Commerce's Economic Development Administration (EDA).**

As the only federal agency focused on private sector job creation, EDA is a vital resource for distressed communities striving to improve their local economies. Whether through infrastructure grants, strategic planning assistance, business development capital or technical assistance, EDA programs are uniquely positioned to promote economic development in impoverished areas and to increase the ability of local communities and regions to improve their economic competitiveness. The agency has consistently proven, both in independent evaluations, and in jobs created and private sector dollars leveraged, that its programs work effectively. Now is the time to ensure that its authorization framework reflects its accomplishments.

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'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 expand 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.

Please consider the following:

- **EDA recently received an overwhelming show of 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 a strong 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.

- **EDA focuses on the fundamental building blocks of economic development**, such as regional development and innovation strategies, public works, business loan funds and flexible resources for communities to respond to plant closings, base closures, natural disasters and other severe economic dislocations. *These investments are targeted at essential public assets and services that the private sector expects and demands local communities to provide in order to stay competitive in today's global economy.*
- **Since its inception, the agency has helped create in excess of four million private sector jobs and leverage more than \$130 billion in private sector investments.** Given the agency's documented performance over recent years, if EDA's funding were increased to no less than \$400 million, the agency could potentially generate an additional 50,000 jobs in communities hit hardest by the current economic downturn.

As our organizations can attest, EDA is a highly effective agency that serves as an invaluable funding partner for public and private sector leaders who are working diligently each and every day to enhance their region's 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 9 percent, now is the time to ensure that the only federal agency 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.

Sincerely,

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