

Congress of the United States
Washington, D.C. 20515
September 18, 2006

**SUPPORT REAL EARMARK REFORM!
OPPOSE THE EARMARKING OF ARC FORMULA FUNDS
IN A FEW FAVORED STATES!
OPPOSE S. 2832!**

Dear Colleague:

We strongly urge you to oppose S. 2832, the Appalachian Regional Commission (ARC) reauthorization bill, when the House considers the bill under suspension of the Rules later this week.

*Less than a week after the House adopted "earmark reform", the House Republican Leadership has scheduled the Senate-passed ARC reauthorization bill for Floor consideration even though it does not include the anti-earmarking provision that the bipartisan leadership of the Committee on Transportation and Infrastructure included in its Appalachian Regional Commission (ARC) reauthorization bill. The T&I Committee provision requires that any congressional earmarks come from the Appalachian State's formula allocation of ARC economic development funds. In this way, it ensures that each State receives its formula allocation of ARC funds without being cut because other States received congressional earmarks. **We oppose S. 2832 because it does not include this bipartisan provision to ensure that congressional earmarks do not cut other Appalachian States' core formula funds.***

Historically, ARC economic development funds are distributed by an ARC formula based on need, including per capita income, number of adults without a high school diploma, and number of economically distressed counties. Regrettably, in FY2006, Congress began earmarking a significant amount of core ARC formula funds. It earmarked 13 percent (\$7.5 million) of ARC formula funds for six projects in three States. In FY2007, Congress earmarked even more projects and more of the core ARC formula funds. The House Energy and Water Appropriations bill earmarks more than one of every three dollars of ARC formula funds for 15 projects – 11 of the projects are in Ohio, including an earmark that is not in an ARC county. The earmarks are deducted from the overall formula funds before these funds are allocated to the 13 ARC States. Thus, each of these earmarks comes at the expense of the other ARC States without congressional earmarks.

See the tables on the back of this Dear Colleague.

The House bill (H.R. 5812), introduced by the bipartisan leadership of the Committee on Transportation and Infrastructure, specifically addressed this issue of earmarking core ARC formula funds. Section 4(b) of the bill requires that congressional earmarks are derived from that State's formula allocation of ARC funds. In this way, it ensures that each State receives its formula allocation of ARC funds without being cut because other State's received congressional earmarks.


Although we strongly support the Appalachian Regional Commission, we cannot support a reauthorization bill that does not address the congressional earmarking of ARC's core formula funds. If you support real earmark reform, we urge you to oppose S. 2832 when it is considered by the House under suspension of the Rules later this week.

If you have any questions, please contact the Democratic staff of the Committee on Transportation and Infrastructure (ext. 54472).



James L. Oberstar
Ranking Democratic Member
Committee on Transportation &
Infrastructure

Sincerely,



Eleanor Holmes Norton
Ranking Democratic Member
Subcommittee on Economic
Development, Public Buildings,
& Emergency Management

CONGRESSIONAL EARMARKS OF ARC FORMULA FUNDS

	<u>FY2006</u>	<u>FY2007</u>	<u>TOTAL</u>
Alabama	\$0	\$0	\$0
Georgia	0	0	0
Kentucky	1,782,000	1,000,000	2,782,000
Maryland	0	0	0
Mississippi	0	0	0
New York	0	0	0
North Carolina	0	1,500,000	1,500,000
Ohio	1,733,000	5,837,000	7,570,000
Pennsylvania	0	0	0
South Carolina	0	0	0
Tennessee	0	0	0
Virginia	0	0	0
West Virginia	<u>3,960,000</u>	<u>1,000,000</u>	<u>4,960,000</u>
Total	\$7,475,000	\$9,337,000	\$16,812,000

FY 2006

W. Virginia	Central West Virginia	\$2,000,000
W. Virginia	Southern West Virginia	2,000,000
Ohio	Scioto County, Ohio	750,000
Kentucky	Breathitt County, Kentucky	1,800,000
Ohio	Athens, Meigs, Gallia, Lawrence and Scioto counties, Ohio	500,000
W. Virginia	Logan County, West Virginia	305,000

Source: H.R. 2419, Energy and Water Appropriations bill, 2006, H. Rpt. 109-86, p. 181.

FY 2007

Ohio	Portsmouth, OH,	\$1,050,000
N. Carolina	North Carolina WNC Center	1,000,000
N. Carolina	North Carolina Blue Ridge	500,000
Kentucky	Kentucky Bluegrass Pride	1,000,000
Ohio	Mahoning County, OH	500,000
Ohio	Perry County, OH	290,000
Ohio	Perry County, OH, Village of Corning	1,000,000
Ohio	Perry County, OH, New Lexington	432,000
Ohio	Ross County, OH, Chillicothe	315,000
Ohio	Guernsey County, OH	750,000
Ohio	Ross County, OH	500,000
Ohio	Vinton County, OH	250,000
Ohio	Carroll County, OH, Village of Leesville	500,000
Ohio	Morgan County, OH, Tri-County	250,000
W. Virginia	Central West Virginia	1,000,000

Source: H.R. 5427, Energy and Water Appropriations bill, 2007, H. Rpt. 109-474, p. 153.