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House Committee on Transportation and Infrastructure DEMOCRATS

For Immediate Release
Thursday, March 17, 2005

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*Attn: National Desk, Congressional Affairs, Economic
Development*

Oberstar Opposes Bush Funding Cut For Economic Development

WASHINGTON—The Bush Administration's plan to eliminate the Economic Development Administration and trim some \$2 billion from the government's programs to help economically distressed communities drew fire today from Rep. James L. Oberstar (Minn.), Ranking Democratic Member of the House Transportation and Infrastructure Committee.

In his opening remarks to a hearing before the Economic Development Subcommittee, Oberstar questioned the wisdom of tampering with a program that has produced a record of success.

Oberstar pointed to the areas of Minnesota's Iron Range or Pennsylvania's Steel Valley that have experienced economic decline. He said such communities cannot be turned around overnight.

"You don't restore that economy in just 10 or 15 years. It takes time to reinvest in infrastructure, the physical infrastructure, the intellectual capacity, in the capital formation in those areas. EDA has been the only effective tool we've had to do this," Oberstar said. "EDA has a very targeted mission, a very successful mission."

The hearing comes a day after Oberstar introduced legislation to reorganize regional development commissions and put them under a common organizational framework. The bill reauthorizes the Delta Regional Authority and the Northern Great Plains Regional Authority and creates two new regional commissions: the Southeast Crescent Regional Commission and the Southwest Border Regional Commission.

"Regional commissions provide vital assistance to the development of the Nation's most chronically poor and distressed regions. They are true federal-state partnerships, bringing together federal, state, and local governments to expand the economic and development opportunities of a chronically distressed region. These regions typically experience rates of poverty and unemployment that are more than 150 percent of the national average," Oberstar said. "Further, some of these areas lack the transportation and basic public infrastructure necessary to support business development, and importantly, create jobs in the region. "

While the bill follows the successful organizational model of the Appalachian Regional Commission (ARC), it does not include the ARC or the Denali Commission (a wholly intrastate commission) in its framework.

District of Columbia Delegate Eleanor Holmes Norton cosponsored the bill with Oberstar. Norton is the Ranking Democrat on the Economic Development Subcommittee.

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