

**Statement of Earl F. Gohl, Jr.**  
**Nominee To Be**  
**Federal Co-Chair of the Appalachian Regional Commission**  
**Before the Senate Committee on Environment and Public Works**  
**February 9, 2010**

Chairman Boxer, Ranking Member Inhofe, and Members of the Committee:

Thank you for giving me the opportunity to come before you and discuss my nomination to be Federal Co-Chair of the Appalachian Regional Commission (ARC). I am very honored that President Obama has nominated me for this important position.

The Appalachian Regional Commission is a federal-state partnership that seeks to foster economic development, create jobs, and improve the quality of life in a 13-state region that stretches along the Appalachian mountains from the Southern Tier of New York to northeastern Mississippi. ARC was created to help close the profound socioeconomic gaps between Appalachia and the rest of the nation. Central to its work is a collaborative approach that links federal agencies, the Appalachian Governors, the region's 73 local development districts, non-profit groups and the private sector in a common mission of making the region's rural communities more competitive.

My entire professional career has focused on working with state and local governments and helping them create opportunities for economic growth and development—precisely the purpose of the Appalachian Regional Commission.

I have 20 years of experience as an elected or appointed official in Pennsylvania, the state with the greatest amount of ARC territory of any of the thirteen Appalachian states. As the Deputy Secretary of the Pennsylvania Department of Community Affairs, my responsibilities included the operation of five bureaus and five regional offices that worked daily with local governments. In that capacity I was directly confronted by the economic challenges facing the Appalachian region—52 of Pennsylvania's 67 counties are in the ARC territory—and I saw first-hand the impact ARC's programs could have in my state's rural communities.

My responsibilities included awarding and managing \$100 million annually in federal and state funds that focused on the housing and community development needs of Pennsylvania communities, including those within the ARC region. Many of these local grants were coordinated by Pennsylvania's local development districts, a key component of the ARC structure. Overseeing these grants gave me a good sense of what works in rural community development. In state government my focus was on ways to expand the arsenal of tools available for small towns and to help them build the capacity to respond to their challenges.

My seven years as a local elected official gave me firsthand experience in dealing with the challenges of local governments whose needs outstrip available resources, and taught me how economic policy made far from the center of town can have a dramatic local impact. It gave me great respect for local leaders who work each day to strengthen their community's future.

My work in Washington for three Governors and two Labor Secretaries has given me a strong dose of reality as to how challenging it is to accomplish some things which look so simple from the steps of City Hall or a Capitol. It has given me the experience of being a strong advocate for addressing the needs of state and local governments.

Additionally, the experience of being a departmental Congressional liaison ingrained in me the importance of both adhering to Administration policy and principles and having responsive, transparent, timely and open communications with the Congress if the agency is going to successfully fulfill its mission. If I am confirmed, I will be fully responsive to requests from this Committee.

Appalachia has made considerable progress since ARC was first created; the poverty rate has been cut in half, the infant mortality rate has been reduced by two-thirds, and the per capita income gap between Appalachian and the nation has narrowed.

But many significant challenges remain before the region is fully at parity with the rest of the nation. Twenty percent of Appalachian households still do not have access to community water systems, compared with 10 percent nationwide. And 47 percent of Appalachian households are not served by public sewer systems, compared with a national average of 24 percent. The percentage of Appalachians with a college degree is less than three-fourths of the national average, and the gap has widened.

The current economic downturn has affected Appalachia even more severely than other parts of the nation. Overall, the rate of job loss has been more severe in the Appalachian region than in the nation as a whole, due in part to the region's disproportionate reliance on manufacturing and extractive industries. Almost three-fourths of Appalachia's 420 counties have unemployment rates higher than the national average.

Your Committee recognized the importance of ARC's work in 2008 when it provided a five-year reauthorization of the Commission's basic programs. This legislation recognized the vibrancy of the ARC model, and provided additional tools for the Commission to deploy in helping communities diversify their economies and make them more competitive. It also continued the agency's emphasis on targeting resources to the areas of greatest need. If I am confirmed, I will be committed to carrying out the objectives of the 2008 reauthorization.

In 2010 the Commission is scheduled to develop a new five year strategic plan with a set of priorities established in collaboration with the Appalachian Governors. This document will be the Commission's compass and will reflect both the key elements of the 2008 authorization and the priorities of the Appalachian Governors. While I do not want to prejudge the policy choices that the Commission may make as part of that strategic planning process, I think the Commission's recent work in three particular areas is making an important difference in the region and these merit strong consideration as program priorities for the Commission in the future:

**1. Appalachian Development Highway System (ADHS).** The Appalachian Development Highway System was a critical component of the original authorization of ARC. Congress, the Administration, and the Governors acknowledged that lack of access to highways was a significant impediment to economic growth. Work to fulfill this longstanding commitment to Appalachian families needs to continue until it is completed.

**2. Broadband Technology.** Technology continues to reshape the world; and where new technology has become an integral part of life, communities have experienced economic growth. Appalachian Governors have been aggressive in this area, and partnering with the Commission can strengthen their efforts as well as coordinate interstate broadband integration to more quickly and efficiently bring broadband access to Appalachian communities.

**3. Energy.** Last fall the ARC conference on *New Energy. New Jobs. New Opportunities for Appalachia* shared ideas and best practices on how communities can use their energy resources and emerging energy technologies and practices to diversify and strengthen their economies. The Commission can assist the states in their efforts to develop diversified energy jobs that have the potential for critical economic growth.

One of the roles of the Commission is to be a liaison with other federal agencies and to help better coordinate the delivery of federal programs within Appalachia. The Federal Co-Chair must take the lead in this effort. Last summer the Administration launched a special interagency effort focused on Appalachia under the auspices of the White House Council on Environmental Quality. The initiative was initially targeted primarily to boosting the creation of green jobs in the region, but as the conversations with ARC and the other agencies continued, the initiative expanded to be a larger effort to diversify and strengthen the Appalachian economy. It reflects the President's commitment to making Appalachia a full partner in the national economic recovery.

I understand that roughly a dozen federal agencies are currently working together, in close collaboration with ARC, to identify ways that their programs can better meet the region's needs. If I am confirmed, I will work to support this effort and be a strong voice for the needs of Appalachia within the federal establishment.

Just as the success of ARC requires strong relationships with its sister federal agencies and its state partners, so success also demands that the agency be actively

engaged with a diverse group of stakeholders in the region. It is also important to have open lines of communication with Congress, particularly with those Members who represent the region.

Finally, I believe much of the success of ARC stems from the fact that it takes a “bottom-up” approach to economic development. ARC projects originate at the local level; they are not generated in Washington, D.C. Rather, the ARC system is designed to ensure that the agency’s grants reflect local priorities. The region’s local development districts are critical to this process. They provide the “on the ground” reality about local needs, conditions, and goals. If I am confirmed, I will seek the advice of the local development districts in shaping Commission policies.

I am honored by the trust President Obama has placed in me to lead the Appalachian Regional Commission at this critical time. The ARC was conceived and pursued by a group of Appalachian Governors, advocated by Presidents Kennedy and Johnson, and enacted and reauthorized by Congress on a bipartisan basis. It has an ambitious agenda with modest resources. At the end of the day, it will be my objective, if I am confirmed, that each federal dollar expended will be an investment in the economic futures of Appalachian families that will generate a return for American taxpayers.

I look forward to the opportunity of working with this Committee in a common mission of providing greater economic opportunity for the 23 million Americans who call Appalachia home. I am happy to respond to any questions.