Testimony by

John Fleming, M.D.
Assistant Secretary of Commerce for Economic Development
Economic Development Administration
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Chairman Barrasso, Ranking Member Carper, and members of the Committee, it is a pleasure and a privilege to appear before you today to testify on behalf of the Economic Development Administration (EDA) in the Department of Commerce.

EDA welcomes this hearing as an opportunity to discuss the role the Department of Commerce and the Federal Government play in supporting economic development in economically distressed areas of this country.

From the first days of his Administration, President Trump has made restoring economic prosperity to our great Nation a priority. Under his leadership, our country has seen historic economic growth. There have been 6.7 million new jobs, including almost 500,000 manufacturing jobs, created since the President took office. The unemployment rates for Hispanic Americans and African Americans are also near historic lows. And we're seeing the stock market in historic territory.

A strong economy is critical to helping distressed communities get back on their feet, and the President's policies on trade, tax reform, and regulatory streamlining are helping ensure that our economy continues to grow even stronger.

At EDA, we understand that even though our nation is experiencing the most significant economic expansion we've seen in decades, there are still communities that are struggling, and we are committed to continuing to help these communities transform.

I am proud of the agency's work in helping catalyze locally-generated plans to stimulate sustainable economic growth, cultivate job creation, and encourage innovative solutions that improve local and regional economic development outcomes in both rural and urban settings.

Therefore, my focus as Assistant Secretary for Economic Development has been on helping foster economic growth by leveraging increasing private capital investments in economically distressed areas, including in Opportunity Zones; harnessing innovation; assisting communities recover from natural disasters; assisting communities severely impacted by the declining use of coal; and supporting community-driven workforce development strategies

Leveraging Private Capital Investments in Economically Distressed Areas, Including in Opportunity Zones

One of the Administration's key areas of focus and one that EDA is leading is Opportunity Zones, which were created as part of the Tax Cuts and Jobs Act of 2017.

The Opportunity Zone initiative is designed to drive private investment to distressed communities to support new and small businesses, the development of blighted properties, investment in key local infrastructure projects, and a number of other activities.

Opportunity Zones are a powerful vehicle for bringing transformative economic growth and job creation to the American communities that need them the most.

As the agency whose principal role is to make investments in economically distressed communities to generate jobs, foster resiliency, and accelerate long-term growth, the Opportunity Zones initiative fits hand-in-glove with EDA's mission.

The Department of Commerce is part of the White House Opportunity and Revitalization Council, and I have been traveling extensively, providing overviews of EDA's role in the initiative at roundtables, conferences, and other events that are bringing together local elected officials, business leaders, and community groups across the country.

During these engagements, I have been working to expand our partnerships with external entities to provide community and economic developers, investors, small businesses, entrepreneurs, and the public with information on how Opportunity Zones can help transform our distressed communities, EDA resources available to them, training opportunities, and more.

On the policy front here in Washington, DC, in FY 2018, EDA issued a Notice of Funding Opportunity (NOFO) making public works and economic adjustment projects in Opportunity Zones eligible for EDA assistance under our ***special needs criteria***. In addition, in June of last year, EDA added Opportunity Zones as one of our five ***Investment Priorities*** to bolster EDA's support of catalytic Opportunity Zone-related projects.

Recognizing the importance of this powerful new economic development tool, EDA was quick to act and made it as easy as possible for applicants within qualified Opportunity Zones to apply for EDA funding. As a result, EDA has already seen communities across the country utilize this eligibility category when applying for EDA grants that can help ensure that these communities have the basic building blocks, such as sewer, water, and road infrastructure enhancements, and broadband to spur new business and job growth.

Since FY 2018, EDA invested nearly $352 million in 262 projects in or near Opportunity Zones across the U.S., including in many of your states.

There's more, too.

In the coming weeks, EDA will publish a new section on Opportunity Zones in our Comprehensive Economic Development Strategy, or CEDS, Content Guidelines. As you may know, CEDS is a strategy-driven plan for regional economic development and a cornerstone of EDA programs. It's an ideal vehicle that we are enhancing to encourage our Economic Development Districts, or EDDs, and our other partners across the county to help better integrate Opportunity Zones within their service areas.

In addition, EDA staff are in the middle of an Opportunity Zones state engagement effort to learn how states are supporting Opportunity Zones, where best practices reside, what challenges exist, and to further explain EDA's role and that of our federal partners regarding how we can complement state and local Opportunity Zone initiatives.

EDA has also partnered with Indiana University's Kelley School of Business, an EDA grantee, to create a new web-based mapping tool to provide EDDs, economic developers, investors, and others detailed economic and demographic information about individual Opportunity Zones. www.statsamerica.org/opportunity also lists Opportunity Zone-focused federal government programs that are available to maximize investment in economically distressed areas.

Harnessing Innovation

The Regional Innovation Strategies Program (RIS) is another distinct program in EDA's portfolio and one we continue to strengthen to harness and enhance technological innovation across the country.

EDA understands that innovation drives economic growth and that all citizens should be empowered to pursue the dream of entrepreneurship and be enabled to carve their own paths to prosperity. As such, EDA's Office of Innovation and Entrepreneurship is committed to furthering tech-based economic development initiatives that accelerate high-quality job growth, create more economic opportunities, and support the future of the next generation of industry leading companies.

Since the RIS Program's inception in 2014 and through 2019, EDA has invested nearly $100 million through 224 grants that directly leveraged an additional $120 million in non-Federal investment. As of last year, RIS grantees have supported over 8,200 full-time jobs and have helped raise over $1 billion in investment capital that targets early-stage, high-growth-potential companies, largely in regions that do not have large pools of risk capital. Congress has appropriated $33 million for the program in FY 2020, which will enable EDA to reach more communities and increase our impacts with this program.

Helping to Foster Economic Growth by Supporting Workforce Development

Of course, no amount of innovation, public or private investment or a well-designed community driven strategy can succeed unless a strong workforce is in place.

At EDA, we are also working to support the development of skills-training facilities that address the hiring needs of the local and regional business communities – particularly in the

manufacturing sector. As you know, advancing America's manufacturing sector is a critical focus of this Administration and, proudly, EDA investments are helping to support existing manufacturers and establish job-training facilities and innovations centers that can help grow a community's manufacturing base.

For example, in July of last year, I had the pleasure of announcing a $12.25 million EDA grant to the city of Pensacola, Florida, to build a 173,000 square-foot aviation maintenance training facility at the Pensacola International Airport. The grant is expected to help create 400 jobs and will be matched with more than $36 million in state and local investments. This facility will prepare hundreds of American workers with the skills needed for successful careers in the commercial aviation industry and further strengthen the region's economy.

Since 2017, EDA has invested more than $118 million of Public Works and Economic Adjustment Assistance grant funding in 80 projects to help communities and regions build the capacity for economic development through workforce development strategies.

These investments directly support the goals of the National Council for the American Worker, established by Presidential Executive Order to create our first ever national workforce strategy and co-chaired by Secretary Ross and Advisor Ivanka Trump. The strategy is focused on the changing nature of work and the workplace and building a pipeline for lifelong learning to ensure that all Americans have access to education and job training that will equip them for the jobs of today and industries of the future.

Assisting Communities Impacted by Natural Disasters

EDA's role in disaster recovery is to help facilitate the timely and effective delivery of federal economic development assistance to support long-term community economic recovery planning and project implementation, and resiliency.

EDA coordinates regional disaster recovery efforts in partnership with an extensive nationwide network of EDDs, Tribal Partnership Planning organizations, University Centers, and other institutions of higher education, including community colleges, and other partners in designated impact areas.

In FY 2018 and FY 2019, our appropriators provided EDA with $1.2 billion in disaster supplemental funding, which we are dutifully administrating to help communities recover stronger.

To date, EDA has awarded over 178 grants totaling nearly $472 million to communities across the country that have been impacted by federally declared natural disasters.

EDA continues to work closely with disaster-impacted communities to help them recover, strengthen, diversify, and build more resilient regional economies. Applications will continue to be accepted and awarded on a rolling basis until available funds have been exhausted.

Assisting Communities Severely Impacted by the Declining Use of Coal

I know, Mr. Chairman that you and other members of the Committee represent states that have been negatively impacted by changes in the coal economy. EDA will continue to use the additional funding authorized by Congress for our Economic Adjustment Assistance Program to

invest in economic development and diversification efforts in coal communities through the Assistance to Coal Communities (ACC) competition.

Since FY 2017, EDA has invested more than $96 million in 99 projects to assist such communities and regions across the U.S.

Last November, I was in Charleston, West Virginia, with Senator Capito to announce more than $7 million in EDA grants to the state to develop infrastructure needed for business growth and workforce training programs. Some of ACC grants were also located in Opportunity Zones.

These grants to West Virginia are expected to help create or retain more than 1,200 jobs, will be matched with $4.4 million in local, state, and other federal funding, and will spur an estimated $380 million in private investment.

Marshall University Research Corporation in Huntington, for example, received more than $57,000 to enable the Robert C. Byrd Institute to complete a regional workforce analysis for 23 counties in central and southern West Virginia, that will specifically focus on the diversification of the economy that has declined as a result of the downturn in the coal industry.

New Programs and Initiatives

I would also like to mention before I conclude that EDA is working to launch newly funded initiatives in our FY 2020 appropriations.

The new STEM Apprenticeship program will enable EDA to continue to support innovation-focused economic development by helping communities more directly develop talent to meet the needs of industries of the future. With the $2 million appropriated, EDA will run a pilot program to identify new ways to expand the STEM workforce through earn-and-learn

training strategies. This work directly supports the National Council for the American Worker's goals of championing multiple pathways to careers, including apprenticeships—broadening our understanding as a nation about the full range of ways to prepare for the jobs of tomorrow.

EDA will deploy quickly the $15 million in dedicated resources we received in the recently passed FY 2020 Appropriations Bill for Nuclear Closure Communities. As the Committee knows, EDA has a history of working with communities facing nuclear power plant closures. We will continue supporting these communities through a variety of EDA programs, including planning resources, technical assistance, and funds for competitive, infrastructure-based implementation investments, which will help these communities recover and envision future economic development opportunities.

Finally, EDA will continue to collaborate closely with the White House Initiative on Historically Black Colleges and Universities to effect economic change. HBCUs play a critical role in ensuring that all Americans have the opportunity to contribute to our nation's overall competitiveness and EDA is committed to helping support these institutions as they work to plan and implement their economic development strategies.

A nearly $500,000 EDA RIS i6 Challenge grant the agency provided Florida A&M University in Tallahassee in 2017, which was matched by more than $900,000 in local funding, helped to create new technology commercialization opportunities, provide entrepreneurship training and support, and create new opportunities in underserved rural and urban communities in the region.

Conclusion

Members of the Committee, thank you for the opportunity to address some of EDA's efforts to enhance the global competitiveness of America's regions through economic development.

I look forward to answering any questions you may have.