

WRITTEN STATEMENT FOR THE RECORD

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Related Agencies

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Chairman Mollohan, Ranking Member Wolf, and members of the Subcommittee, thank you for this opportunity to testify on behalf of the Brooke-Hancock Regional Planning and Development Council.

My name is John Brown. I am the Executive Director for the Brooke-Hancock Regional Planning and Development Council. Located on top of West Virginia in the Northern Panhandle, our region is a rust belt region with a population of 50,000.

Due to the devastation of international steel competition, since 1995, our two-county region has lost 12,000 steel worker jobs. Our two domestic steel companies are now international conglomerates. In 1995, Weirton Steel, the regional lynchpin industry in our region, was the top private sector employer in West Virginia. Today, West Virginia's top employer is Wal-Mart. As recently as Thursday (January 28th), the loss of another 180 steel related steel jobs was announced.

From the perspective of the U.S. Economic Development Administration (EDA) and its mission, we are ground zero. For our region, the need to have an active and engaged EDA could be no greater than today.

Mr. Chairman, I would like to focus on three major issues related to EDA.

First, we respectfully request increased funding for EDA's core programs, the Public Works and Economic Adjustment Assistance programs. As a region in transition, we are literally reinventing our economy. While we understand our leadership role, we need partners to invest capital and provide technical skills.

In 2005, we received an \$891,000 EDA Public Works grant to construct a downtown state office building. Matched with \$600,000 in local funds, the project was completed in 2006 and resulted in over 300 new or saved jobs. Located in our key downtown, the project has sustained the integrity of our downtown and leveraged private sector downtown investment.

In late 2009, we received a \$215,000 Economic Adjustment Assistance grant to create and carry out a detailed, project specific action strategy for job growth and diversification. The project will use market information to develop site investments while benchmark measurements will be defined. Our approach focuses on advantageous employment clusters as a way to identify job training needs, launch programs, attract investments, retain and expand emerging industries and increase employment opportunities for workers. Over a five-year period, the project will result in the creation and retention of over 500 jobs in the region.

Second, we support and advocate stronger incentives to reward regional collaboration, partnerships and initiatives not only among the public and private sector, but between the EDA regional offices.

Our region is one labor force crossed by two states and divided by the Ohio River. In the case of employment, these barriers are transparent.

EDA's Chicago Regional Office, which serves our west bank communities, and the Philadelphia Regional Office, which covers our east bank communities, have initiated steps to recognize our "one labor force" issue.

In 2009, through the encouragement of local development agencies and the regional chamber of commerce, a joint program called the "3-2-1" program was initiated. The "3-2-1" phrase stands for three counties, two states and one goal. This approach challenged the Chicago and Philadelphia regional offices to coordinate plans and provide boundary flexibility. In the case of the Chicago Office, they incorporated our full three-county labor force in a recent targeted industry strategy. The strategy has defined a clear building block for a forthcoming US EDA site management project outside the Chicago EDA mapped boundary, but inside our labor force boundary. The lesson is boundary flexibility can and will better define truer labor markets and assure wiser federal investments.

Third, the Economic Development District (EDD) partnership planning program has been invaluable. However, demands on EDDs have increased significantly due to the economic downturn and we encourage increased funding for the program.

Established in 2005, we are a relatively new EDD. Since that time, through the mandated Comprehensive Economic Development Strategy (CEDS), we have prioritized future investments and set a path for the future. Through the planning program, we created companion programs such as brownfield redevelopment initiatives and a small business start-up business program called Valley Ventures.

In the case of brownfields, we've initiated hazardous waste and petroleum site clean-up to attract jobs; we've created a dialogue for a river barge to rail/truck intermodal site and; we've communicated a viable economic future for our region.

In January 2008, ArcelorMittal Weirton, the key remaining steel company in the region, announced its intent to divest its nonessential properties. These nonessential properties, characterized as mothballed commercial-industrial properties, constitute 30 percent of the city's land area. This divestment issue has created an unusual opportunity. Without EDA's planning partnership resources, we could not complete the necessary due diligence to organize, prioritize and redevelop these sites.

In the case of Valley Ventures, we recognize small business is the key driver for new jobs. Over 70% of all new jobs are created through small business. For the past 20+ years, our community has held adamantly to the myth that the steel mills will reopen and jobs will return. In recent years, reality has set in and this myth has deteriorated. Valley Ventures is a private, non-profit organization formed and managed by a board of business and professional men and women. This innovative organization assists entrepreneurs and small business owners. Valley Ventures provides businesses with critical hands-on technical assistance, financial resources, business education, and important business-to-business networking. In 2009, Valley Venture was credited with starting 10 new businesses.

EDA is the only federal program focused exclusively on private job creation. At ground zero, it's been an invaluable and flexible resource. Given the ongoing challenges facing the communities in my region and across the nation, the need for EDA has never been more pressing. With its 40 year track record of job creation and retention and ability to leverage private sector funds, we know EDA has the tools necessary to help communities. Now is the time to ensure it has the resources to fully deliver its potential. I thank the committee for the opportunity to testify on this important issue. I welcome the chance to answer any questions.