



# National Association of Regional Councils

1666 Connecticut Avenue, N. W.  
Suite 300  
Washington, DC 20009  
202.986.1032  
202.986.1038 (fax)  
[www.narc.org](http://www.narc.org)

## Cover Sheet and Transmittal Message

**DATE:** Friday, August 26, 2005

**TO:** Office of Chief Counsel  
Economic Development Administration

Office of Management and Budget  
Office of Information and Regulatory Affairs

**FROM:** Robert Sokolowski, Executive Director  
National Association of Regional Councils

**SUBJECT:** Comments on the Interim Final Rule  
Presented as A NARC Public Policy Statement  
Economic Development Administration  
Federal Register, August 11, 2005

NARC is requesting an opportunity to present its public policy statement on EDA's regulations at the September 1, 2005 public hearing. NARC is reserving the opportunity to submit additional comments that expand on its public policy statement by the October 11, 2005 deadline cited in the Federal Register notice of August 11, 2005.



## National Association of Regional Councils Statement of Policy on

The Economic Development Administration  
Economic Development Administration Reauthorization Act of 2004  
Implementation; Regulatory Revision; Final Rules - Federal Register - August 11, 2005  
Public Hearing - September 1, 2005 - Ronald Reagan Building

### Preamble

The National Association of Regional Councils (NARC) is a 501(c)(3) nonprofit entity and public interest group that represents and advocates for the nation's regional councils (RCs) and metropolitan planning organizations (MPOs). RCs and MPOs are experienced, key players in the planning process. Economic Development Districts (EDDs) are frequently under the umbrella of an RC. Planning promotes competitiveness through diverse initiatives realized through collaboration and strategic partnerships.

After canvassing NARC's membership, we are pleased to provide comments that reflect the views of RCs and MPOs. NARC is committed to working with the Administration, the Office of Management and Budget, the U. S. Congress, its membership and other national associations on the promulgation of regulations that reflect Congressional intent as found in the Economic Development Administration Reauthorization Act of 2004. NARC adheres to a policy that EDA's reauthorization legislation was intended to enhance the state mandate of development organizations involved in advancing economic development through the use of diverse tools and programs. The intent of the EDA program is to advance infrastructure-related activities that increase the competitiveness of America's economically distressed communities. RCs and MPOs have found EDA's program tools critical to connect distressed communities to their regional economic context. As research supports, we need to look at communities as economies on a regional basis, rather than in isolation.

### Comments

NARC's members and leadership have carefully reviewed existing regulations and those published in the *Federal Register* on August 11, 2005. NARC's comments are submitted for the record and reflect the best thinking and consensus opinion amongst its membership.

### Definitions

The definitions of region and economic development districts (EDD) are more accurately reflected in existing regulations. NARC's members are fully vested in preserving and honoring the geographic boundaries set forth by state law for EDDs. NARC advocates maintaining the planning process. EDDs already foster multi-district collaboration and cooperation in the planning and economic development process. NARC concurs that regions need to work together, but not to the detriment of the boundaries set by states, and we would not favor the federal government imposing these boundaries on districts or states.

### Economic Development Districts

EDDs have been the backbone and delivery system for EDA for more than 20 years. EDDs ensure local governments create a business environment. They are public in nature and they need to remain as such, in particular the composition of their Boards. Public governance is essential because of the important resources that public entities bring to the

table for economic development and that are otherwise unavailable from the private sector. Local government leaders are the ones that influence the economic competitiveness factors of their communities and regions. These leaders create the environment and it is they who partner with business to create sustainable economic development.

EDDs are not to be compared to Workforce Investment Boards (WIBs) that consist mostly of private sector representatives. WIBs were created specifically to provide training and other resources for workforce development, enhancement and retention targeted to the business sector. Their alliance with the private sector is essential to their mission. By contrast, EDDs have a mandate that tasks them with bringing diverse players to the table to identify development opportunities and implement activities that enhance the economic competitiveness of a region.

### Comprehensive Economic Development Strategy (CEDS)

NARC supports efforts to develop a strategic planning process through a CEDS and adheres to the principle that it is critical to provide assistance, especially to distressed areas, which lack the capacity to respond to local and regional problems. NARC supports multi-year contracts and believes continuity provisions are necessary to assure a sound planning process for sustainable economic development. Other federal programs, like the transportation planning program are multi-year, renewable investment grants.

### Planning Funds

The programs and tools of the Economic Development Administration were created by Congress to enhance the Nation's public infrastructure capacity for competing in a world-wide economy. The Office of Management and Budget has set up a system for the fair allocation of indirect costs by grant recipients across all federal agencies and that practice needs to be maintained with any federally-promulgated regulations because it makes for good government. Many communities, whether rural or urban, require technical assistance to develop a regional planning process. NARC members support providing technical assistance under the rubric of funding for planning.

### EDA Funding and Match Requirement

Economic Development Planning Work Programs are a by-product of the CEDS process and critical to providing assistance to communities. Plans alone do not guarantee implementation and EDA funding is the important first step for many distressed communities to compete economically. The holistic approach and transitional assistance of the EDA program are vital to addressing the needs of distressed areas. Further increases in matching fund requirements for EDA funding will significantly diminish local utilization of EDA programs. And, if public governance is removed, local governments will be unwilling to match source. NARC members favor matching requirements found in existing regulations.

We appreciate the opportunity to submit comments on EDA's regulations published in the *Federal Register* on August 11, 2005. We respectfully request including language in those regulations that reflects the views of NARC's membership. Thank you.