



September 8, 2010

The Honorable James L. Oberstar
Chairman, Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515-6256

Dear Mr. Chairman:

On behalf of the Administration, I want to thank the Committee for ordering reported H.R. 5897, the Economic Revitalization and Innovation Act of 2010. This bill would reauthorize the Economic Development Administration (EDA) for five years and has our strong support.

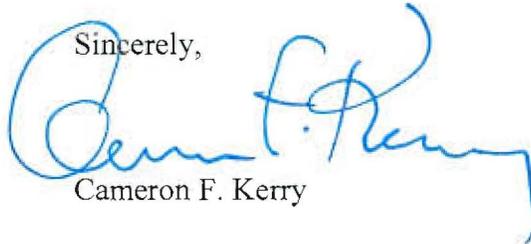
As evidenced by the bill's title, the bill recognizes the need to make targeted changes to EDA's basic statutory authority to align it better with the innovation economy essential to competitiveness. In this regard, we note the bill has added appropriate text to the authority for EDA's planning program, the foundation to EDA's locally-driven approach to regional economic development, to specify the need for our planning partners to focus on entrepreneurship, innovation and regional collaboration. We also support with changes the addition of authority to finance science and research parks. This new cost-effective guarantee authority will enable EDA to provide additional assistance to communities to address economic distress by capitalizing on this important and underused resource in and around the Nation's colleges and universities. These kinds of programs will help our distressed communities grow their own jobs and become more globally competitive by helping commercialize innovative technologies. Participation in the innovation economy is vital to sustainable economic development. We also appreciate that the bill has adopted a number of the Administration's recommendations to provide greater flexibility to recipients in the use of revolving loan funds and project assets, as well as other changes.

We look forward to working with the Committee and the Congress as the bill moves forward this Congress. In this regard, we urge the Committee to include in its Manager's Amendment some of the Administration's provisions omitted in H.R. 5897. Additionally, there are some provisions that the Administration is still reviewing. We appreciate the opportunity to work with the Congress to ensure well-designed programs. We also request a number of specific changes, including changes to the new loan guarantee program that are required to bring that program into compliance with longstanding requirements and policies to ensure efficient and effective use new loan guarantee authority, in accordance with OMB Circular A-129.

We also would note that the Administration will seek appropriations for EDA in accord with amounts requested in the President's budget. Enclosed are our recommendations.

The Office of Management and Budget has advised that there is no objection to the transmittal of these views from the standpoint of the Administration's program. If you have any questions, please contact me or April Boyd, Assistant Secretary for Legislative and Intergovernmental Affairs, at 482-3663.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cameron F. Kerry". The signature is fluid and cursive, with a large initial "C" and "K".

Cameron F. Kerry

Enclosures

cc: The Honorable John L. Mica
Ranking Minority Member