

# NATIONAL CONFERENCE OF REGIONS 2007

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## EDA FINAL RULE

Effective September 27, 2006  
71 Federal Register 56658  
Economic Development Administration  
Department of Commerce

NARC  
February 5, 2007  
Washington, D.C.

# COMMENTS

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- 6160 total public comments on individual regulations
- 38 internal DOC or EDA comments
- 1100 individual public commenters (approximately)
- 1000 commenters are attributable to NADO campaign (approximately)

# FINAL RULE: MODEST CHANGES

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- Guidance from Assistant Secretary Baruah: don't revisit regulations subject to agreement with appropriators and published December 15, 2005.
- Bulk of changes resulted from internal comments to clarify intent of regulations.
- December 15 revision pursuant to DOC appropriations resolved almost all concerns.

# NOTEWORTHY CHANGES (Planning)

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## Section 303.4(c) – Planning Investments

- EDA received approximately 212 comments that expressed concern about the lack of details on the funding of Planning Investments.
- The final rule explains that EDA did not intend § 303.4(c) to suggest that Planning Assistance would be “one-time only” awards.
- The final rule revises § 303.4(c) to read as: “EDA will provide a Planning Investment for the period of time required to develop, revise or replace, and implement a CEDS, **generally in thirty-six (36) month *renewable* Investment award periods.**”

# NOTEWORTHY CHANGES, cont'd

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- The interim rule tried to clarify that planning organizations must ensure that EDA funds support activities directly related to EDA scope of work.
- A number of commenters said that was confusing in light of OMB rules regarding allowable costs. WE AGREE with comment.
- Final rule clarifies the treatment of 'indirect costs' set out in § 303.5 regarding planning organizations (279 comments opposed) to track OMB Circular requirements.

# Part 303: Planning Investments and CEDS

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1. EDA adopted Congressional recommendations on planning investment rates.
  - Maximum EDA share: up to 80% as set forth in the Investment Rate Table (Table 1 in § 301.4) for the most economically distressed county or parish within the Region.
  - Waiver: the Assistant Secretary may waive the limitation on the maximum investment rate produced by Table 1 in “compelling circumstances.”
  - Minimum EDA share: 50%

## Part 303: Planning Investments and CEDS (Cont'd.)

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- Special projects: up to 100% for projects of Indian Tribes; economic adjustment assistance projects located in disaster areas; projects of States or local political subdivisions that have exhausted their effective taxing and borrowing capacity; and projects of non-profit organizations that have exhausted their effective borrowing capacity. See Table 2 in § 301.4.
2. Effective strategy development and implementation require a public-private partnership.

# Part 303: Planning Investments and CEDS (Cont'd.)

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3. CEDS performance metric requirements are set forth in § 303.7(b)(9)) and require a list of performance measures used to evaluate the Planning Organization's successful development and implementation of the CEDS. These measures *include but are not limited to*, the following:
- ❑ Number of jobs created after implementation of the CEDS;
  - ❑ Number and types of investments undertaken in the Region;
  - ❑ Number of jobs retained in the Region;
  - ❑ Amount of private sector investment in the Region after implementation of the CEDS; and
  - ❑ Changes in the economic environment of the Region.

# Part 304: Economic Development Districts

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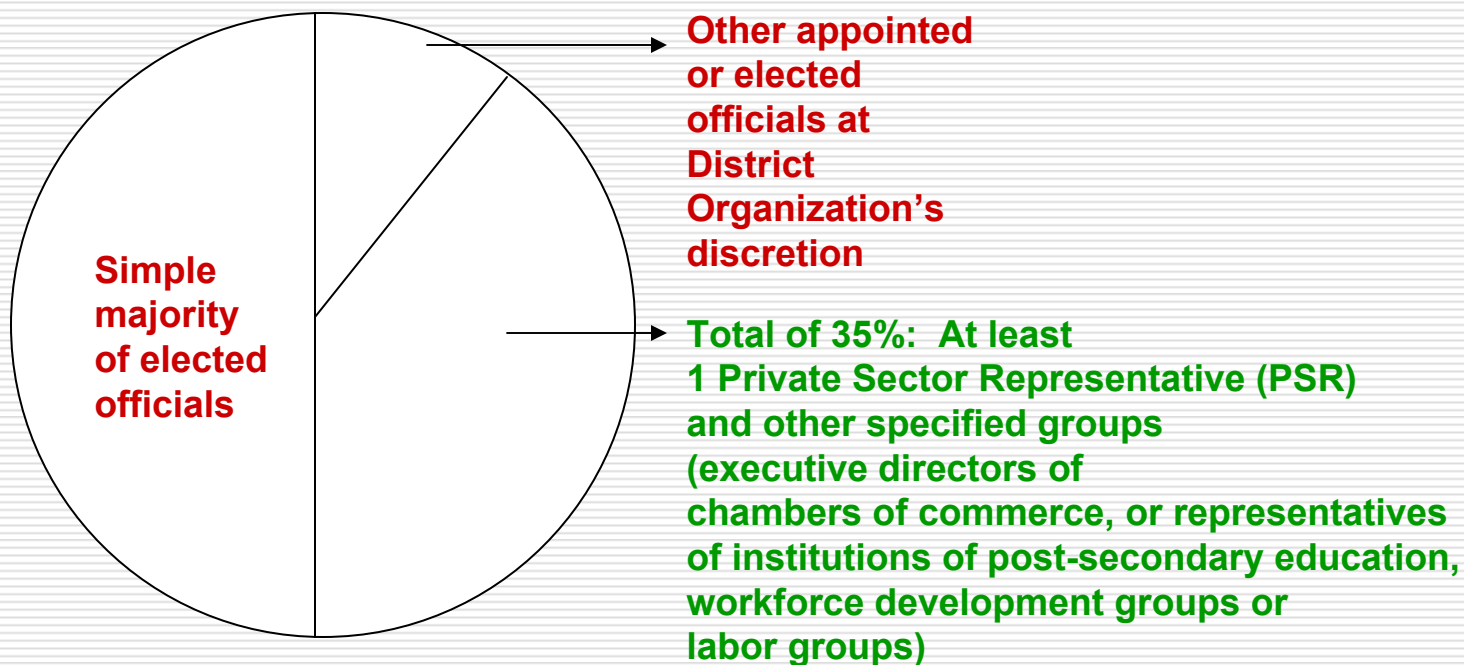
- EDA adopted Congressional recommendations on District Organization governing board requirements.
  
- No changes to this Part of the regulations.

# District Organization Board Requirements (§ 304.2(c)(2))

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**General Rule: Board must be broadly representative of the principal economic interests of the Region.**

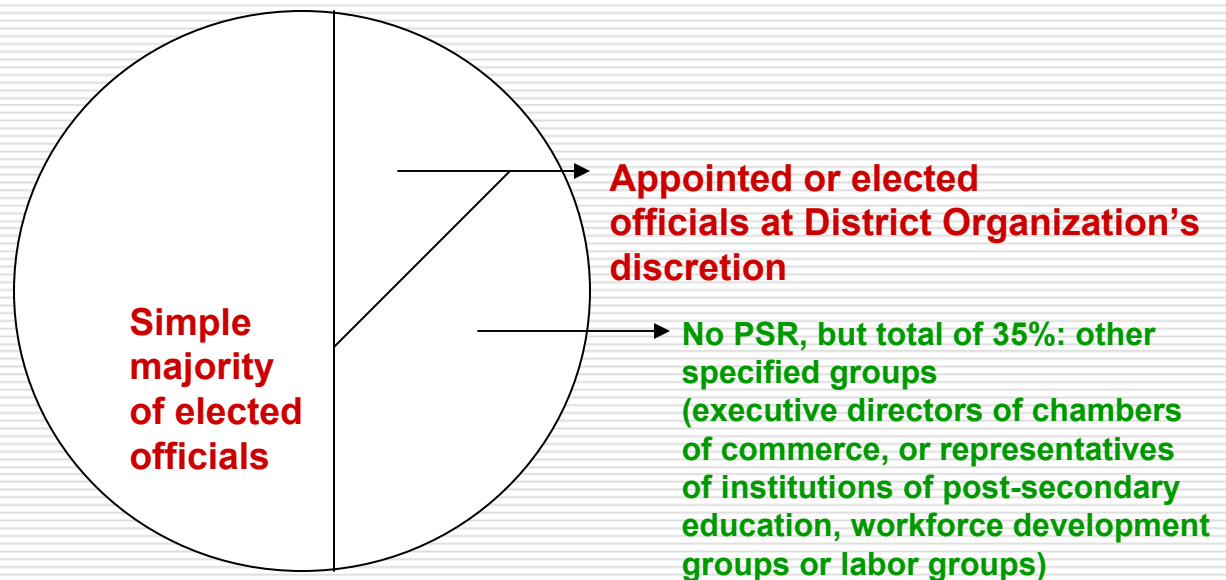
**Minimum Requirements** (unless otherwise prohibited by State or local law)



# District Organization Board Requirements (§ 304.2(c)(2)) (Cont'd.)

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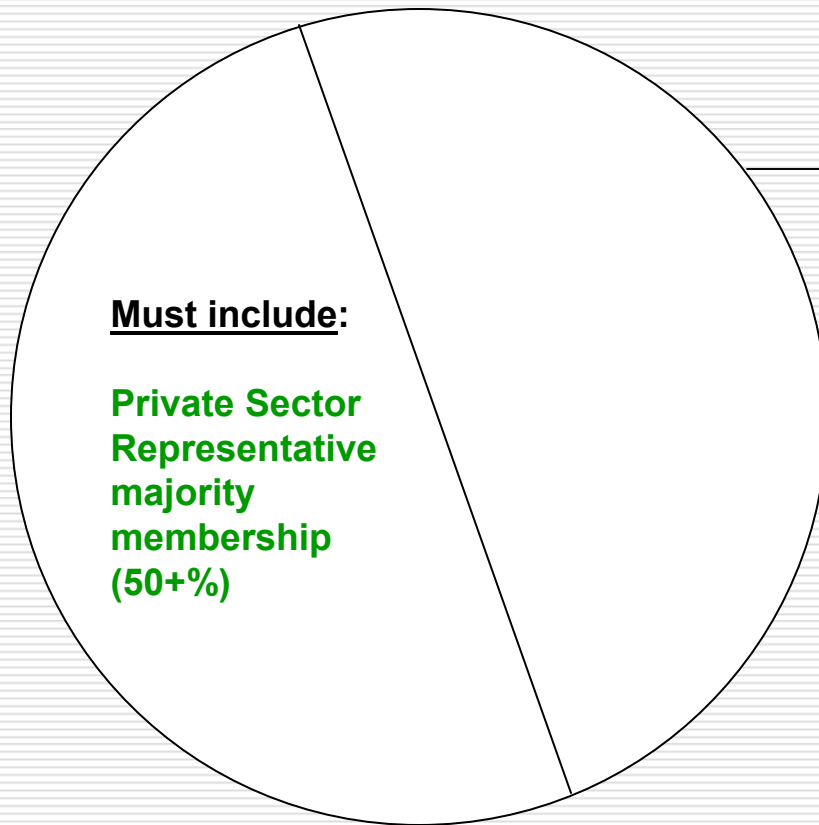
## Best Efforts Exception (Assistant Secretary waiver granted for PSR requirement)



# Strategy Committee Requirements

**(§ 303.6):** Committee must represent the main economic interests of the region

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**Should also include:**

**Public officials;**

**Community leaders;**

**Representatives of –**

- **workforce development boards,**

- **institutions of higher education,**

- **minority and labor groups;**

**Private individuals**

# OTHER CHANGES

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- EDA made a number of additional changes in the final rule regarding regulations dealing with property management and the Trade Adjustment Assistance Program for Firms that do not affect the planning regulations.