



**U.S. House of Representatives**  
**Committee on Transportation and Infrastructure**

**James L. Oberstar**  
Chairman

Washington, DC 20515

**John L. Mica**  
Ranking Republican Member

November 18, 2008

David Heysfeld, Chief of Staff  
Ward W. McCarragher, Chief Counsel

James W. Coon II, Republican Chief of Staff

The Honorable Carlos M. Gutierrez  
Secretary  
U.S. Department of Commerce  
Herbert Clark Hoover Building  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Gutierrez:

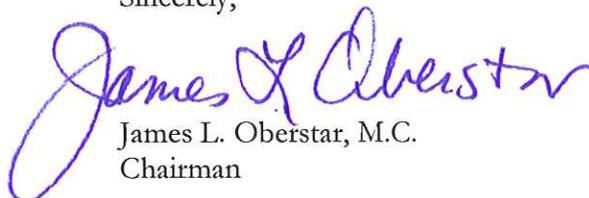
It is my understanding that the Economic Development Administration ("EDA") has delayed the disbursement of \$400 million in funding assistance that was provided in the recently enacted Disaster Relief and Recovery Supplemental Appropriations Act, 2008 (Division B of P.L. 110-329) for communities that were impacted by a federally-declared disaster during 2008. Specifically, EDA may be considering a disbursement strategy that does not adhere to the proven model of efficiently distributing economic development assistance funding through its six regional offices.

Traditionally, EDA has allocated all of its economic development assistance resources to its six regional offices for distribution to communities suffering from long-term economic distress as well as sudden and severe economic dislocations. Congress has reaffirmed this disbursement method by including language in past appropriations acts to ensure that the agency utilized this efficient mechanism. As a result, EDA has been able to deliver funding in a timely fashion and maintain appropriate oversight and management of its limited resources.

The Committee on Transportation and Infrastructure expects EDA to allocate the \$400 million using its regular procedures and disburse the funds to the agency's six regional offices based on each area's disaster recovery needs. Further, the Committee believes that any alternative funding scenario (e.g., state block grants or creating a centralized pool of funds at EDA's headquarters) would severely undercut the agency's oversight and fiduciary management responsibilities and diminish the effectiveness of these critical resources.

Thank you for your attention to this issue.

Sincerely,



James L. Oberstar, M.C.  
Chairman