



*Statement by*  
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**U.S. Senate Committee on Small Business and Entrepreneurship**

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**Introduction**

Chairwoman Landrieu, Ranking Member Snowe, and distinguished members of the Committee. Thank you for the opportunity to testify today on behalf of the Department of Commerce's Economic Development Administration (EDA) as you explore the economic impact of the BP Oil Spill and the deep water drilling moratorium on the Gulf Coast region.

**Response Efforts**

EDA, along with our fellow Commerce agencies, has been an integral partner in the coordinated Federal response to the BP Deepwater Horizon spill. Though not a "first responder," EDA's role is to facilitate delivery of Federal assistance to local governments' recovery efforts through strategic planning and economic redevelopment. Beginning in late April, I asked staff from EDA's Austin and Atlanta regional offices to actively reach out to our local partners to begin to assess their concerns and potential

needs. EDA regional staff deployed to the region and contacted our network of local government partners in those affected areas to offer the agency's assistance and staff deployed throughout the region. While in the short term, EDA regional staff is already providing technical assistance; our focus will remain on promoting long-term economic recovery and we will continue to work closely with the affected communities long after the cleanup is complete.

Since June, EDA has announced a series of grants totaling nearly \$5.6 million to help the Gulf Coast recover by using its Economic Adjustment Assistance (EAA) program. This program allows for a wide range of technical, strategic planning, gap financing, and infrastructure assistance—a complete toolbox of development programs which EDA can leverage to create customized recovery packages for the Gulf Coast region. An additional \$4.5 million in EAA investments is expected to be finalized by September 30<sup>th</sup>.

In addition to projects in our current pipeline, EDA is currently finalizing a federal funding opportunity (FFO) stemming from the additional \$5 million in economic development assistance money that was provided to EDA in the Emergency Supplemental Appropriations act.

**National Response:**

Currently, my Deputy Brian McGowan is leading the Economic Solutions Team (EST) which is part of the National Incident Command. The team was established to focus on the transition from “response” to “economic recovery” as a result of the BP Deepwater Horizon spill. The teams are working to help strengthen the coastal economy..

The EST, which includes Federal agency representatives from the Department of Commerce, Small Business Administration, Department of Housing and Urban Development, Department of Labor, Department of Defense, Department of Transportation, Department of Homeland Security, and Department of Agriculture is working in partnership with experienced economic development and disaster recovery specialists to provide vital capacity and technical assistance to local communities immediately after the BP Deepwater Horizon spill. In line with this commitment, the EST deployed 21 economic assessment and evaluation teams to Gulf Coast counties and parishes. Over the course of the summer, assessment and evaluation teams worked with nine Louisiana parishes, three Mississippi counties, six Florida counties, two Alabama counties, and one county in Texas. assessment and evaluation teams focused on helping communities orient to their current situation and develop proactive strategies for addressing their current challenges. The work of these teams took place on a separate track to the work that Undersecretary Blank has just described.

Deployed to 21 counties in the region, the task of these teams was to understand the economic development needs of the selected communities and then offer potential solutions to issues related to industry migration, workforce skills, small business, infrastructure, and other related matters. Before the EST teams' initial deployments, they worked with community stakeholders to define problems to be addressed upon arrival, and to develop an agenda that would address areas of concern within that community. Once on the ground, the teams worked with local leadership from regional governments, chambers of commerce and economic development organizations, business representatives from key industries, and others. They addressed issues ranging from infrastructure challenges to business recovery needs to concerns about credit and financing. The teams conducted meetings that were focused specifically on the status of sectors such as oil and gas, commercial and recreational fishing, and tourism. At the meetings, the teams had qualitative conversations with stakeholders and anecdotal discussions of community challenges; there were no quantitative analysis conducted as part of this project.

Throughout the Gulf Coast, communities expressed uncertainty about their future – stressing that the future of industries like fishing, aquaculture, tourism, and oil and gas are vital to their wellbeing. Communities consistently expressed to the assessment and evaluation teams that they appreciated the opportunity to focus on problem-solving—the theme that has guided every stage of the process.

Following the visits, the EST continues to work with communities to help them address the concerns that they identified and develop and implement their own recovery plans. This will include additional support to help communities analyze and organize the information that came out of the A&E team visits. Moreover, in June, President Obama appointed Secretary of the Navy, Ray Mabus, a former governor of Mississippi, to develop a long-term restoration framework to restore the Gulf Coast. The assessment and evaluation teams' experiences are directly informing the development of that report.

**CLOSING:**

I would like to thank Chairwoman Landrieu, Ranking Member Snowe, and distinguished members of the Committee for the opportunity to address you today.

EDA was an important partner with me and my community in Bloomington, Indiana when we faced the closing of a major consumer electronics company. EDA helped make it possible for us to collaborate with public and private sector partners to develop our strategy and implement it. Here again, EDA is ready and prepared to do our best to assist with Gulf Coast recovery by partnering with the public and private sector to help the Gulf Coast communities assess, plan, and provide for long term economic solutions. I look forward to working closely with Congress to strengthen the Federal government's coordinated response to economic disasters and to help the Gulf Coast recover and economically excel in the future, and I welcome any questions you may have.