



UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
Washington, D.C. 20230

September 28, 2012

The Honorable Mary Landrieu
United States Senate
Washington, D.C. 20510

Dear Senator Landrieu:

Thank you for your letter requesting assistance addressing the State of Louisiana's challenges resulting from Hurricane Isaac. As you noted, EDA has a long history of assisting communities to recover economically from natural and man-made disasters. EDA stands ready to continue assisting Louisiana communities. Ms. Pamela Davidson-Ehlers, Economic Development Representative out of EDA's Austin regional office, is located in New Orleans and works closely with communities across the state to develop applications for EDA funding and provide technical assistance when developing economic strategies.

I offer the following in response to the series of questions you posed. To demonstrate how EDA's programs offer a great deal of flexibility in assisting communities to strengthen and grow their economies and recover from natural disasters, I am including examples of projects that EDA has funded. We recognize that each community's needs and circumstances are different and encourage community leaders to contact Ms. Davidson Ehlers as soon as possible to discuss how EDA can support ongoing recovery efforts.

1) Disaster Recovery Planning

Question: After past disasters, EDA has been helpful in providing funds to assist local officials and economic development groups with technical assistance on disaster planning efforts. Can EDA funds be used to hire a Disaster Recovery Coordinator and fund disaster recovery plans for impacted communities?

Answer: EDA funds can be, and are often used to, fund Disaster Recovery Coordinators. In past disasters, EDA supported many communities by funding Disaster Recovery Coordinators and disaster recovery plans. Coordinators often serve an integral role of leading strategic planning, seeking additional resources for disaster recovery, and serving as a resource. Disaster recovery coordinators also help support the implementation of disaster recovery plans, which generally include strategies to alleviate economic development challenges brought on or exacerbated by natural disasters.

2) Incubators and Accelerators

Question: EDA has long been active in supporting successful incubator and accelerator programs nationwide to help diversify local economies and spur entrepreneurship. As some of these local communities impacted by Isaac begin to look at long term recovery, there will likely be interest in bringing in new business sectors and economic development

opportunities. Can EDA funds be used to fund local/regional incubators and private sector accelerators to help spur disaster recovery?

Answer: EDA funds can certainly help fund incubators and accelerators. Incubators and accelerators are excellent tools to diversify and strengthen a community's economy and hasten recovery following a natural disaster. By providing business assistance to entrepreneurs and small businesses, communities improve resiliency in their economies and create jobs. EDA has funded a number of incubators in the greater New Orleans area including Idea Village (2009, 2011) and Louisiana State University's (LSU) Incubator on Wheels program (2011). Idea Village's Idea Corps matches visiting MBA students with local entrepreneurs and start-up companies to provide technical assistance and business assessment assistance, ensuring the long-term success of emerging industry clusters in the New Orleans region. The organization has also been funded to further develop the entrepreneurial ecosystem in New Orleans by engaging the stakeholders necessary to support entrepreneurs, including capital investors, universities, and professional service providers (lawyers, CPAs, etc.). LSU's Incubator on Wheels provides management assistance, technology transfer, access to capital, mentoring, and networking.

3) **Tourism**

Question: Tourism is Louisiana's largest industry, and millions of Louisiana citizens depend upon it for their livelihood. Restoring this sector of the economy after a disaster has been critical to the state's recovery. Can EDA funds be used to restore and promote tourism for the economic well-being of the state and local communities?

Answer: EDA has funded a number of studies, strategies, and projects to help New Orleans and the Gulf Coast rebuild its tourism market after it experienced significant reduction in visitors after Hurricane Katrina and the BP oil spill. This includes a Seafood and Sport Fishing Rebranding project (2011) awarded to the Seafood Promo Market Board, which provided technical assistance to fisherman and the sports fisherman market to rebrand and restore consumer confidence. EDA also provided funding to the Mississippi Development Authority in 2011 for an economic impact analysis to study consumer and tourist perceptions affecting travel decisions after the BP Oil spill.

4) **Levees**

Question: Several non-Federal levees failed during previous disasters and Hurricane Isaac, and other parishes were flooded because they still do not have levee protection from tidal surges and other flooding threats. Can EDA funds be used for the design and construction of new non-Federal levees, and /or the repair of existing non-Federal levees?

Answer: EDA funds can be used to design, construct, or repair non-federal levees. EDA funds can be used to support the design and construction of a levee as long as it is publicly owned and the application shows how EDA's investment will create/retain jobs and leverage private investment.

5) Assistance to Farmers, Ranchers, and Fishermen

Question: The 2008 hurricanes caused almost \$700 million in agricultural damage in Louisiana alone. While some Federal programs are available for certain agricultural groups, some of these programs often take considerable amounts of time to disburse funds. Can EDA funds be used to provide grants and loans or technical assistance to individual farmers, ranchers and fishermen, as well as processing facilities?

Answer: EDA provides grants to local and state governments and nonprofit organizations that can in turn provide loans and/or technical assistance to individual farmers, ranchers, fishermen, and processing centers. EDA has funded a number of Revolving Loan Funds that are still in existence, including New Orleans Regional Business Development Loan Corporation (2008), the South Central Planning and Development Corporation (SCPDC) (2010), and the Acadiana Regional Development District (2006 and 2008). SCPDC and Acadiana are working specifically with fishermen to make loans for boats and refrigeration units.

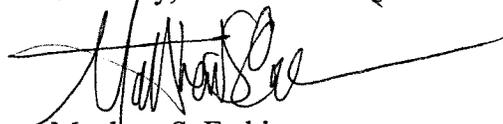
EDA has also funded a number of feasibility studies and technical assistance grants including the Seafood Co-op Study to the University of New Orleans for the development of a seafood marketing and processing plant cooperative in either St. Bernard or Plaquemines Parish. EDA's local technical assistance program is specifically designed to help communities make optimal decisions on local economic development issues.

Farmers and fishermen may be eligible for the Trade Adjustment Assistance (TAA) for Firms program, which provides technical assistance to firms affected by import competition. Interested farmers and fishermen can contact the Southwest Trade Adjustment Assistance Center in San Antonio at (800) 344-8872.

The International Economic Development Council in partnership with EDA has developed a website <http://restoreyoureconomy.org> that provides resources and best practice information for public and private stakeholders seeking to rebuild their local economies after a disaster, and offers information designed to assist the business community in preparing for a future disaster.

We encourage communities impacted by Hurricane Isaac as well as nonprofits that provide economic develop or business assistance to reach out to Pamela Davidson-Ehlers at (504) 589-4179 or the Austin Regional Office at (512) 381-8144. EDA looks forward to continuing to work in Louisiana to assist communities across the state support long term disaster recovery, build economic resiliency, and mitigate the impact of future disasters.

Sincerely,



Matthew S. Erskine
Acting Assistant Secretary of Commerce for
Economic Development