TUSCARAWAS COUNTY PORT AUTHORITY

Statement of Harry A. Eadon Jr., TCPA President and Executive Director, before the Senate Committee on Agriculture, Nutrition and Forestry.

Mr. Chairman and Members of the Committee, thank you for this opportunity to present testimony regarding the USDA Rural Development programs and how they may be utilized in the current economic crisis. My focus today will be on the USDA Rural Development Intermediary Relending Program (IRP), however, each of the Economic Development financing tools available through Rural Development are important.

The Tuscarawas Valley Region may be considered a typical rural area however it is quite diverse, with each county facing unique challenges. Consequently, the counties, as they are able, create economic development strategies that address their particular needs. These strategies should encompass these basic focuses: infrastructure improvement, business assistance, education and training, amenity-based development, and community development.

The execution of these strategies usually depends on funding assistance from Federal and State governments. An example of the importance of such Federal support can be found in testimony given on April 1, 2008 by Mr. Thomas Dorr, USDA Under Secretary for Rural Development, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. Mr. Dorr stated “The FY 2009 Budget request seeks a $49 million budget authority to support $738 million in direct and guaranteed loans and grants for Rural Business and Cooperative Programs. The budget proposes to fund the Business and Industry Guaranteed Loan Program, the Intermediary Relending Program, and the Rural Cooperative Development Grant Program. We anticipate that in FY 2009 these programs will assist approximately 700 small businesses and create or save more than 34,000 jobs in rural communities.” The reported affect of these programs is to leverage every Federal dollar with fifteen dollars of private capital.

The diversity of the Tuscarawas Valley region can be characterized by the population and business density of each county. Examples of the diversity are Harrison and Tuscarawas Counties.

Harrison County hosts 360 businesses and has a population just under 16,000 compared to Tuscarawas County with 2,315 businesses and a population over 91,000. A further distinction is the types and diversity of businesses in each of these counties. But for all of the differences one thing is the same, not only in this rural area but across the country – the current economic crisis has exacerbated the ability of businesses, large and small, to borrow money to fund current and future needs. The credit crunch is not a phenomenon only of Wall Street it has come to Main Street.

To help drive the implementation of Business Development strategies in each of the counties and to create a local response to small business funding needs, the TCPA has applied for a $500,000 IRP Loan to seed a $585,000 Revolving Loan Fund (RLF). The proposed service area for the RLF includes the following counties: Belmont, Carroll, Guernsey, Harrison, Holmes, and Tuscarawas (see basic demographic and loan indicators attached).

The purpose of a strong RLF is to provide funding alternatives to the region's existing businesses and to provide a tool to help create new business opportunities. This equates to the both the retention and creation of jobs. Based upon the USDA's 15 times multiplier the Economic Development effect of the TCPA's Revolving Loan Fund to the region will be to induce the investment of more than $8 million dollars of private capital. This is a regional solution to a regional challenge.

The TCPA encourages Congress to act with due deliberation and speed to authorize the USDA Rural Development's budget request for funding these important Economic Development tools.

This concludes my testimony, and I will be happy to respond to your questions. Thank you.