APPALACHIAN REGIONAL COMMISSION

ARC

A Proud Past, A New Vision

Office of the Federal Co-Chairman

Lisa -
FYI
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August 18, 1999

Mr. Gene Sperling
Assistant to the President/
NEC Director
The White House
Washington, D.C. 20500

Dear Gene:

The new focus on Appalachia by the President and cabinet members like Rodney Slater and Andrew Cuomo has been the best thing for this region in thirty years. Now we must capitalize on it. I would like to sit down with you soon after Labor Day and make the case for increasing ARC's non-highway funding to at least the level we had at the beginning of the Administration. We would use the additional money to fully fund our Entrepreneurship Initiative, which is well developed, up and running, and a beautiful compliment to the New Markets Initiative.

The attached charts will show you what has happened to our non-highway appropriations since our creation and during the Clinton administration. Needless to say, we have been caught in the general downdraft of OMB marks on discretionary programs for the past five years. But, since the President and much of the Cabinet have become so public about helping our region--and since ours is the only federal agency which actually carries the name of a region--our appropriations are, for better or worse, often seen as the barometer of support for Appalachia.

I feel strongly that it would add tremendous credibility to the Administration's support for Appalachia to increase ARC's non-highway funding to a level at least the same as at the beginning of the administration--$88 million. This would be an addition of only $21 million but it could transform our Entrepreneurship Initiative into something truly significant. It would be a terrific compliment to the New Markets Initiative; or, should that program fail to be enacted, it would be a major accomplishment in its own right for the Administration.

I truly believe that our Entrepreneurship Initiative holds great promise for Appalachia, which is facing huge employment declines in labor intensive manufacturing, tobacco farming, and coal. We are well along in developing this initiative at both the state and regional levels. The regional work includes working groups on capital access, sector based approaches to business development, entrepreneurial education in the public schools, and business incubators.

1666 CONNECTICUT AVENUE, NW WASHINGTON, DC 20235 (202) 884-7660 FAX (202) 884-7693

Alabama Georgia Kentucky Maryland Mississippi New York North Carolina Ohio Pennsylvania South Carolina Tennessee Virginia West Virginia

Unlike so many approaches to small business development, our Initiative addresses not only the capital question, but the human resource and infrastructure issues as well. And, the bottom line is that we could effectively utilize a lot more money in this initiative. We allocate about $5 million per year, divided by thirteen states, and well...it is just not enough. But, since we have to fund all the other remaining needs of the region out of non-highway account (infrastructure, training, basic services, health, leadership, etc.), we cannot afford more than the $5 million per year for three years at existing funding levels.

We would like to see additions to our FY2000 budget in any final deals cut this year with the Hill and also included in the President's Budget for FY2001. We will have a short paper outlining spending plans for the additional money should it become available. I would like to sit down with you soon after Labor Day and present these ideas to you.

Let me know what you think.

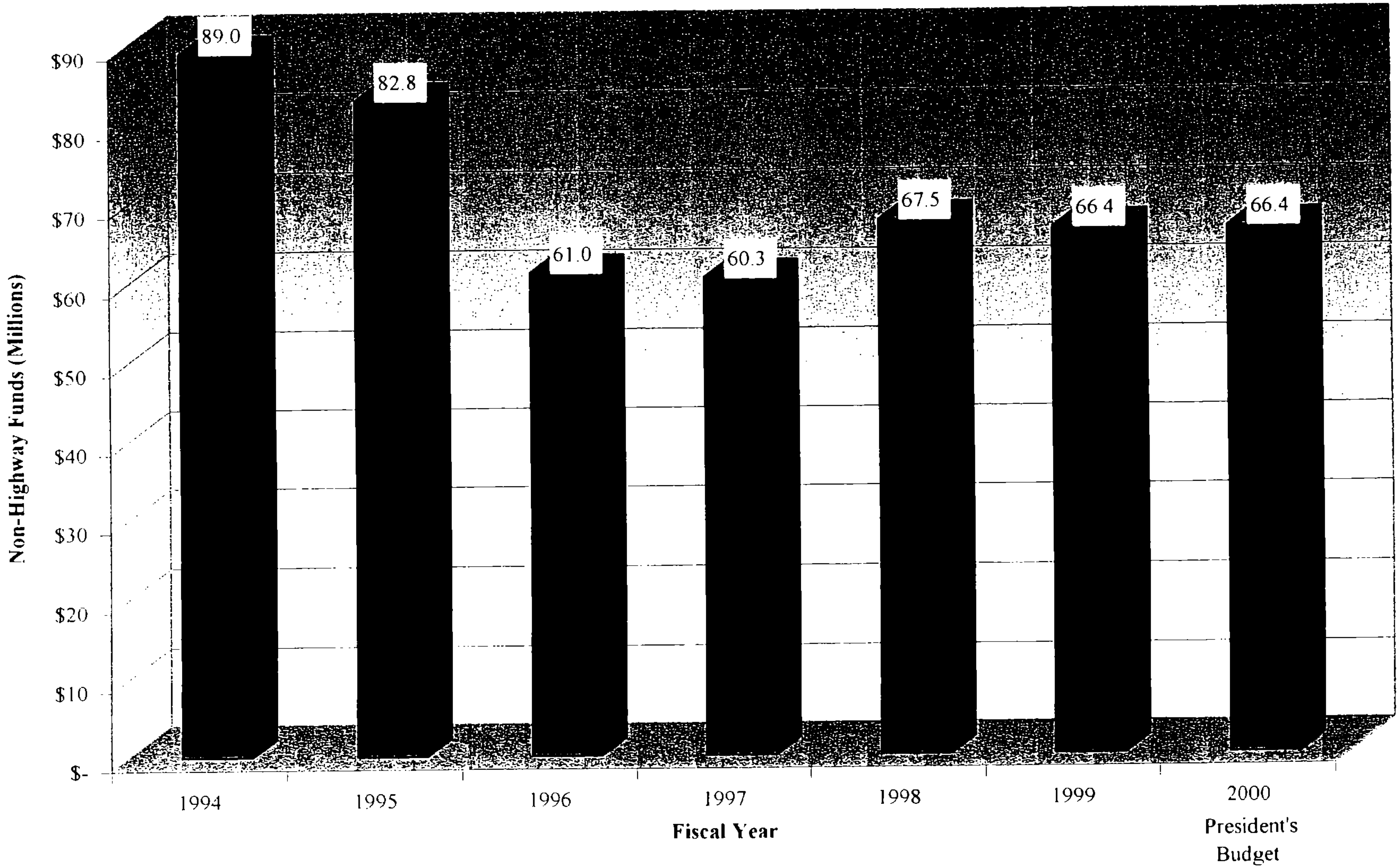
Sincerely,

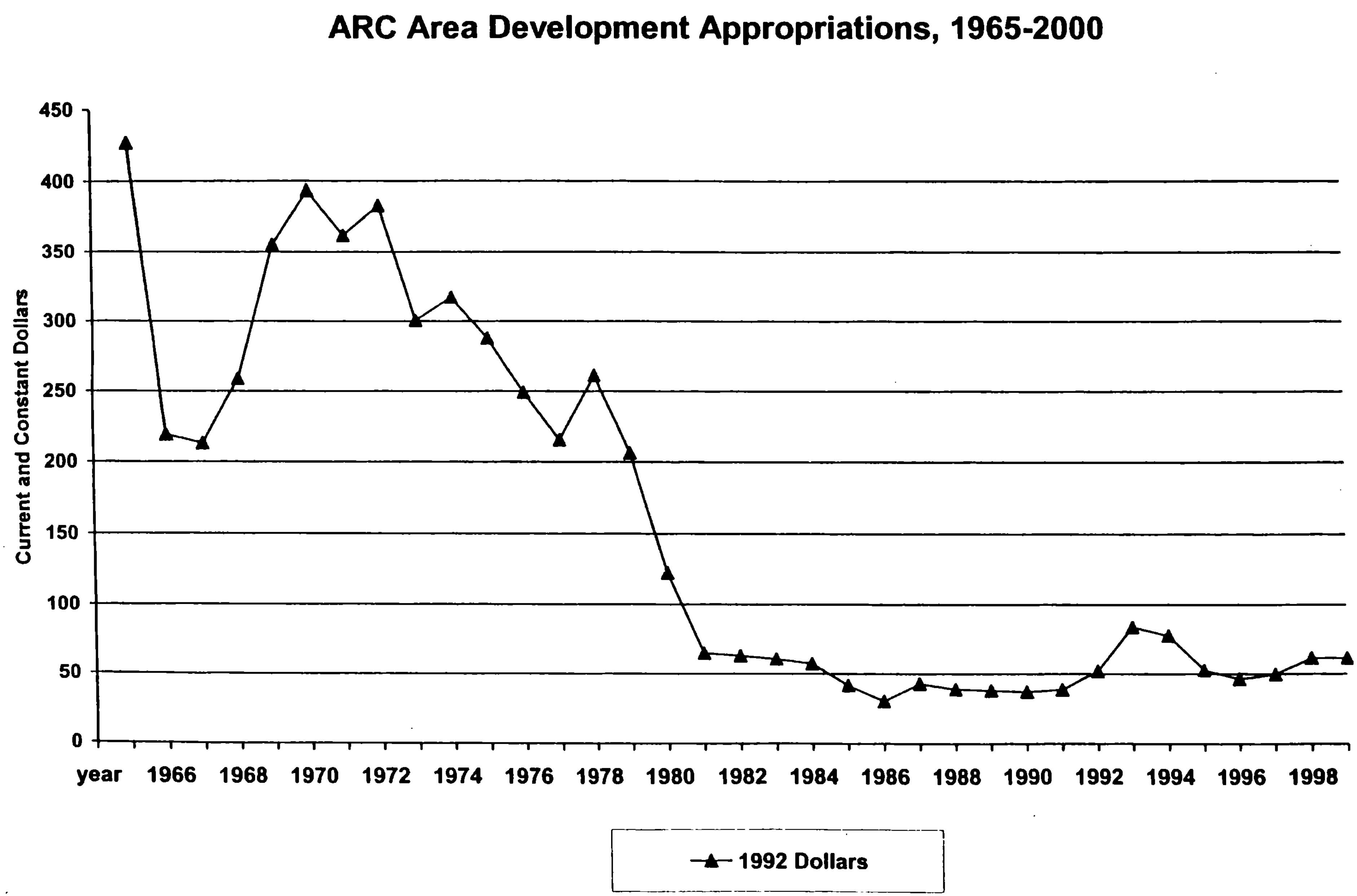
Jesse L. White, Jr.
Federal Co-Chairman

Attachments

Cc: Mr. John Podesta
Rev. Jesse Jackson
Mr. David Wilhelm

ARC Non-Highway Funding, 1994-99 and Proposed 2000




ARC Area Development Appropriations, 1965-2000
Current and Constant Dollars
450
400
350
300
250
200
150
100
50
0
year
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
1992 Dollars

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bcc: Lisa Green

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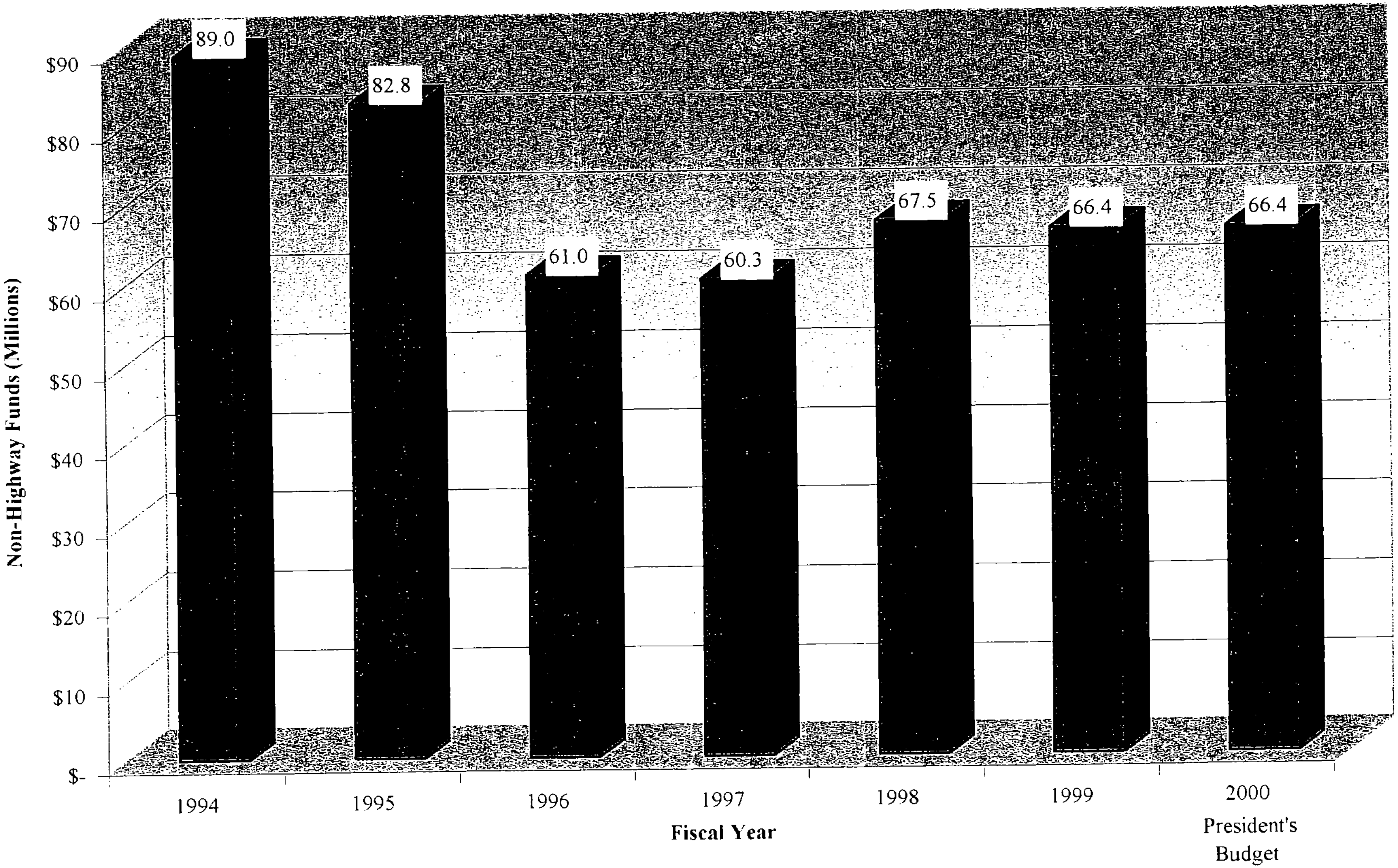
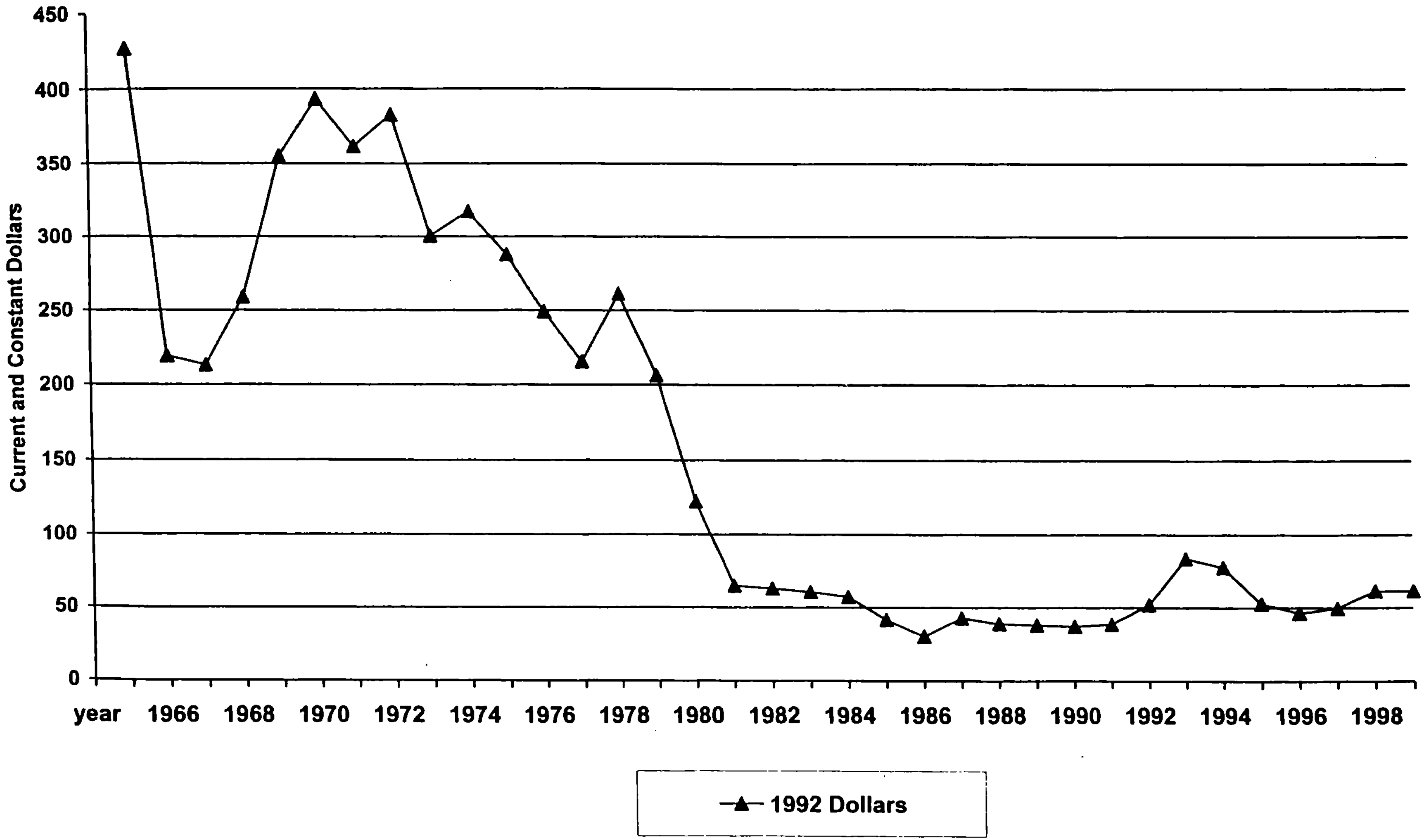


ARC Area Development Appropriations, 1965-2000



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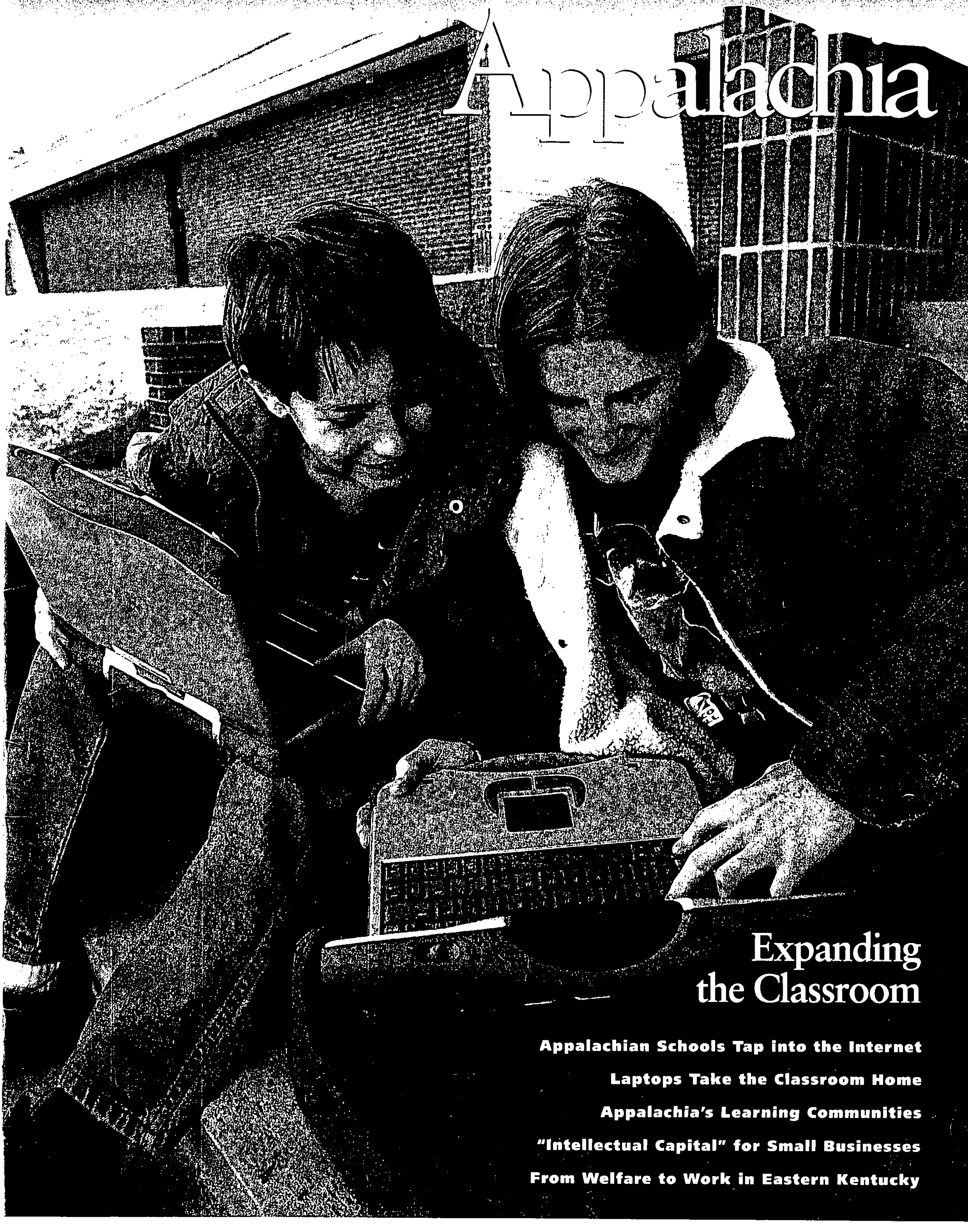
Appalachia



Expanding the Classroom

Appalachian Schools Tap into the Internet

Laptops Take the Classroom Home

Appalachia's Learning Communities

"Intellectual Capital" for Small Businesses

From Welfare to Work in Eastern Kentucky