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NATIONAL RURAL DEVELOPMENT COUNCIL

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

ON

NATIONAL RURAL DEVELOPMENT COUNCIL

MARCH 8, 2000

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NATIONAL RURAL DEVELOPMENT COUNCIL

WEDNESDAY, MARCH 8, 2000

U.S. SENATE,
SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION, OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:42 p.m., in room SR–332, Russell Senate Office Building, Hon. Larry E. Craig (Chairman of the Subcommittee) presiding.

Present: Senators Craig and Conrad.

OPENING STATEMENT OF HON. LARRY E. CRAIG, A U.S. SENATOR FROM IDAHO, CHAIRMAN, SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION, OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Senator CRAIG. Good afternoon, everyone. The Subcommittee on Forestry, Conservation, and Rural Revitalization is called to order. Thank you for your patience. I was running a bit late.

I also want to thank you all for being here today to discuss the National Rural Development Partnership. Many of you are here in Washington, DC. this week for the NRDP's annual National Rural Policies Conference. I am glad that we are able to coordinate this hearing with your meeting.

As many of you know, the National Rural Development Partnership, better known as the Partnership, was established under the Bush administration in 1990 by Executive Order 1272O. The Partnership is a nonpartisan interagency working group whose mission is "to contribute to the vitality of the Nation by strengthening the ability of rural Americans to participate in determining their futures."

We are here today to learn more about the National Rural Development Partnership. We will hear from individuals representing Federal, State, county, local, and tribal governments, as well as the private sector, about what has happened in the last decade since the Partnership's formation and where the Partnership is headed in the future. Through this hearing, the Committee will learn how the Partnership works and what, if anything, needs to be done to improve it.

The rural and urban areas of our country face many of the same problems, but they suffer different kinds of impacts. I represent the dominantly rural State of Idaho. Our rural areas cover about 88-percent of the State, but they are home to only about 36-percent

of the population. I regularly hear from individuals concerned about the condition of rural America and the impacts of Federal decisions on our ruralness.

For example, management decisions by the Federal Government on these lands directly impact the livelihood and daily activities of many of the citizens who live in rural Idaho. However, the impacts of Federal decisions on rural areas go far beyond those of land management agencies.

I support programs that bring communities together to develop solutions to their problems. I believe the Partnership can and does do this. However, I have heard concerns that not all departments and agencies participate in the Partnership, and that financial support is lacking in many instances.

With that in mind, I welcome all of our panels here today and look forward to hearing their testimony. I would like to remind the panels that their entire testimony will be a part of the record, and so I would hope that they could hold their statements within the 5-minute range, as I have attempted mine. I will also tell you that I think some of my colleagues will be joining me this afternoon.

It is also timely that we convene because, at a time when the general economy of our country is very robust, much of rural America is not sharing in that kind of wealth. Whether it is the state of agriculture today, or whether it is a logging community or a mining community, in my State many of those communities are experiencing as much as 14- to 16-percent unemployment, while statistically my State almost shows full employment.

This is the schism that exists today in an economy that is significantly different that the kind of economies we have had in the past, and therefore our ability to effectively measure it and understand it does not demonstrate to us here in Washington those kinds of statistics. I think that part of this hearing is reflective of that concern. So let me ask our first panel, who are now seated, to proceed.

It is a pleasure of mine to have Jill Long-Thompson, Under Secretary for Rural Development, United States Department of Agriculture. Jill and I once served in the House together; we were colleagues over there. Also, Eugene A. Conti, Assistant Secretary of Transportation Policy, Department of Transportation, and Claude E. Fox, Administrator, Health Resources and Services Administration, Department of Health and Human Services. So, Jill, if you would start, welcome to the Committee.

[The prepared statement of Senator Craig, can be found in the appendix on page 36.]

STATEMENT OF JILL LONG-THOMPSON, UNDER SECRETARY FOR RURAL DEVELOPMENT, U.S. DEPARTMENT OF AGRICULTURE

Ms. LONG-THOMPSON. Thank you, Mr. Chairman. Thank you for inviting me here today to discuss the National Rural Development Partnership as well as the State Rural Development Councils. If it is agreeable to you, I will submit my written testimony for the record and talk briefly.

Senator CRAIG. Without objection.

Ms. LONG-THOMPSON. As you and I have discussed, in the 36 States where we have councils, they play a very important role in coordinating and streamlining the efforts and the resources of agencies and programs of Federal, State, and local governments, as well as the private sector. And, as you mentioned very eloquently, the initiative was born in 1990 and is the result of an executive order of the President.

The reason that the executive order was issued was that then Under Secretary Roland Valour. He developed this very framework in response to the numerous complaints that he was receiving that nowhere in the Federal Government was there the needed focus on rural development, that there was considerable focus on production agriculture and the agriculture sector of the world economy, and particularly during the 1980s when we had very low commodity prices.

By the time that he was holding this position in 1990, that economy had started to rebound. But all during that time local communities across the country were being very successful with individual rural development initiatives, but their efforts were not very well coordinated, and there was just no focus at the Federal level in a way that could really help them to achieve their objectives efficiently and cost effectively.

So, out of that concern and his leadership, this initiative was born. Now, to date, 10-years later we have 36 States that have Rural Development Councils and we have a number of other States that are seriously looking at forming councils. In fact, we have four States that, right now, are just about ready to put councils into place. The bulk of the funding, as you know, for the councils is Federal, although there has to be at least a 25-percent contribution from the States in which the councils exist.

When I first took this position—now, there was little standardization in the relationship between the Federal Government, including the Department of Agriculture, and the State Rural Development Councils. Each council existed as the result of the formation in its State, but the relationship with USDA was based on individual cooperative agreements between USDA and that State, which we still have. But the funding levels for each of the councils varied depending upon the cooperative agreement that was reached between USDA and that State, and there was also a disparity; in some States, the executive directors of the councils were Federal employees, and in some cases they were not.

So one of the things that we have worked to do since my coming on board is to have some kind of standardization, so that the councils get equitable treatment from the Federal Government. And, as a result of that, we have tried to better standardize the cooperative agreements. All of the directors are now in a contract relationship with the Federal Government.

At the same time that we have worked to do that, we have had a major restructuring, as you know, in the Department of Agriculture, and I think it has actually enhanced the potential for the Rural Development Councils to be successful at tying together the initiatives at the various levels and in the private sector. Our, what were formerly our State Directors for Farmer's Home Administration are now Rural Development State Directors, and they are, as

you know, appointed by the President of the United States, and they work very closely with the Rural Development Council Directors in the 36 States where we have the councils.

Since the restructuring in the Department of Agriculture, some of the burden of responsibilities for the Rural Development Councils has changed, as a result of us now having State directors that have the responsibility of rural development. But I think that has enhanced the potential for working together, and I think we have seen a number of successes as a result of that.

Also I would like to say that in addition to the relationship that exists, the individuals who are involved in the Rural Development Councils in the 36 States that have them are really outstanding individuals. I could have a bit of a bias. The Chair for the National Executive Committee is Mayor Bill Graham from Scottsburg, Indiana, who has an outstanding reputation in the State of Indiana for the work that he does in rural development.

But we do have, I just think, a very strong network across the country. The challenge for us is, in these times of reduced budgets, coming up with the funding. Since we do not have any direct authority over the councils themselves, it is difficult to find the money when other money that we have is allocated for a specific purpose.

In this particular fiscal year, in Rural Development at USDA, we had to put in place a 21-percent cut in our administrative budget, and we mirrored, or duplicated, mirrored that with the Rural Development Councils. Well, the Rural Development Councils have pretty small budgets, so a 21-percent cut can be quite significant.

So it appears to me that if we are going to continue to have a good, successful working relationship, and if they are going to continue to be effective, and if we are going to be successful in expanding them to the 50 States, there needs to be some kind of legislative foundation for the initiative, and we also need to figure out some way that there can be consistent funding. The way we fund now is to just look for the money, and as my colleagues will tell you, a lot of the time we are writing letters back and forth, placing phone calls, strong-arming each other, saying "How are we going to come up for the funding for this initiative?" It is a real challenge. But, by being an executive order, and by us having no authority, and by them having no accountability to us, it really is quite a challenge.

[The prepared statement of Ms. Long-Thompson can be found in the appendix on page 38.]

Senator CRAIG. Well, Jill, thank you very much. We will go through the full panel before I ask any of you to respond to questions, if that is all right.

Now, Eugene Conti, Assistant Secretary for Transportation Policy, Department of Transportation. Secretary. Welcome.

STATEMENT OF EUGENE A. CONTI, ASSISTANT SECRETARY FOR TRANSPORTATION POLICY, U.S. DEPARTMENT OF TRANSPORTATION

Mr. CONTI. Thank you, Mr. Chairman. I want to thank you, also, for asking us to be here today to talk about a subject we are all very interested in and committed to.

One of the first jobs Secretary Slater asked me to take on is to coordinate our department's efforts in rural areas, so I have been aware of and involved with the National Rural Development Partnership since my appointment. As you also may know, Secretary Slater grew up in a very rural area in Arkansas, so he is very sensitive to these issues and reminds me very often, and makes sure that I am doing a good job here.

The Partnership provides DOT with a valuable channel for communication with a broad spectrum of local rural officials and activists who help shape and implement transportation programs related to those local community economic development efforts. I want to emphasize that we believe transportation is a key, in most cases, to local economic development. We are really aware of no other mechanism, other than the councils, that gives us such direct and ongoing access to those local officials who can help us as we seek to respond to some of the transportation challenges we face.

As you mentioned and others know, rural America faces very serious transportation challenges. Residents of rural areas and small towns often suffer from isolation and reduced access to transportation alternatives. The National Rural Development Partnership brings together the organizations, the State and local representatives, business interests and residents to help deal with these critical issues.

The Partnership collaborated with us when we put together our Rural Transportation Initiative, which Secretary Slater announced in May of 1999. The Initiative is a comprehensive approach to help America's rural communities fully enjoy the benefits of the Nation's growing economy and improvements in transportation safety and mobility. The Partnership acted as a sounding board for policy and program ideas for the Initiative and helped us disseminate its products, a brochure and a program guide, to rural stakeholders, copies of which have been provided to the Subcommittee.

The Department has been an active member of the Partnership since its inception, and continues to receive important support and guidance from the Partnership. As a result of the increased cross-program cooperation and collaboration generated by the councils, DOT focuses its limited program resources more effectively and provides services more efficiently.

We used the Partnership in developing our surface transportation reauthorization proposal, and will continue to use it as we carry out TEA–21 programs involving rural interests, including focusing on a very critical issue, which is greater involvement of local rural officials in Statewide planning processes. As you know, our transportation planning process emphasizes getting local participation. It is a very structured process, and in a lot of the States it is difficult to do the Statewide process unless you reach out to rural officials. So, we are emphasizing that all States need to do a good job of reaching out and involving local officials in that process.

In Illinois, for example, the Rural Development Council's Transportation Committee completed a 2-year Statewide rural public transportation study that identified barriers to more effective transportation services all across rural Illinois. the Committee will meet with the Illinois DOT to review the report's recommendations and discuss implementation opportunities.

As you are no doubt aware, Mr. Chairman, the Idaho Rural Partnership has also supported the involvement of rural officials in the Statewide planning process. The Idaho Partnership's executive director was the facilitator for the Idaho Transportation Planning Task Force, which brought together the Idaho Department of Transportation, the Association of Idaho Cities, the Idaho Association of Counties, and the Idaho Association of Highway Districts to resolve differences concerning local transportation planning. The task force successfully developed a consultation process that balances the needs of all the parties involved, and makes sure that everyone is involved in that decision making process.

In Connecticut we have another good example. In 1996 the Connecticut Rural Development Council co-sponsored a successful public forum, "Designing Roads and Bridges to Preserve Community Character," which brought together the Connecticut DOT, Federal Highway Administration, U.S. DOT, local government, State and congressional representatives, historic preservationists and environmentalists, all to discuss how to make those programs work better, to develop alternative design guidelines, and again, to consult very heavily with local community groups about these issues.

Tourism is also a vital part of the Nation's economy, and transportation plays in that, and particularly in rural areas can be very much a boost to the local economy. The department is trying to improve coordination and cooperation between transportation and tourism practitioners on the Federal, State and local level. The National Partnership has been an important player in that effort.

For instance, in Utah, the Rural Development Council facilitated the public information gathering process for the National Park Service as they developed a draft management plan for Zion National Park and Zion National Canyon. The South Western Utah Planning Authorities Council process facilitated discussions about transportation needs for the Park and worked with the National Park Service to develop a consolidated transportation hub and visitors center which will open this year in May.

In conclusion, let me just say that the Department has been a strong and consistent supporter of the Partnership. We believe that the Partnership is a valuable resource not only to our department, but also to rural America. We strongly support its role in bringing together partners from the public and private sectors to help rural communities improve their economies and quality of life.

That concludes my prepared statement, Mr. Chairman, and I have submitted a written statement for the record. Thank you very much.

[The prepared statement of Mr. Conti can be found in the appendix on page 40.]

Senator CRAIG. Thank you very much, Mr. Secretary.

Now, let me turn to Claude Fox, Administrator, Health Resources and Services Administration, Department of Health and Human Services. Administrator Fox, welcome before the Committee.

STATEMENT OF CLAUDE EARL FOX, M.D., ADMINISTRATOR, HEALTH RESOURCES AND SERVICES ADMINISTRATION, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. FOX. Thank you, Mr. Chairman. HHS appreciates the opportunity both to be here and to support rural health as well as this Partnership, and you also have my prepared statement.

Senator CRAIG. Yes.

Dr. FOX. If I could just make a few opening comments, I was born in a rural hospital, I grew up in a rural community. I received my medical education in a rural State. My first practice was in a rural community. I also chaired the Alabama task force chartered by the Alabama Legislature to look at rural health. And the Agency that I oversee within Health and Human Services actually administers the rural health policy for the department, so we have the responsibility for the entire department to look at the policy issues across the department, including HCFA and elsewhere.

As I am sure you know, health is important for a lot of reasons, not the least of which is the economic benefits to the community, and health is often the largest employer, or second largest employer only to education. HHS is absolutely committed to this partnership, and I think we have and will continue to demonstrate ways. One, the most visible way, is we put almost $500,000 a year into this partnership, and we plan to continue to do so. The second is that the current Chair of the National Council is Dianne McSwain, who is with HHS. And, third, we have the active participation of a number of departments and agencies within HHS, including my own Office of Rural Health Policy.

Let me say personally, I think for the value of the council and why it needs to continue to exist, one of my dilemmas, having come from local and State government in rural communities, is to try to think about how, as we put different Federal assets into the community, how do we make sure that the whole is better or greater than the sum of the parts? And I think often we put things into the communities without the right hand knowing what the left hand does.

I think one of the values of this council is for us to be able to talk across agencies. It is not because of ill will, but we just sometimes don't have an opportunity to do it. This offers the chance, on issues like the Children's Health Insurance Program, to talk about how we can coordinate on outreach, and we have done that across Federal partners. It offers us the opportunity, on issues like TANF and the implications for TANF for rural communities, to talk about what we can do to make sure that we protect rural communities wherever possible. It offers the opportunity, for the Critical Access Hospital Program that we oversee, in trying to help rural hospitals survive, to make sure all the Federal partners are working together wherever possible.

It is for those and other reasons that we think the Partnership provides both a forum and venue for Federally, those of us here, to talk, but also to make sure that we hear and we do reality checks with rural communities through these local councils. We think this Partnership is very valuable. Again, we will continue our participation, and I look forward to any questions you might have today. Thank you.

[The prepared statement of Dr. Fox can be found in the appendix on page 45.]

Senator CRAIG. Mr. Fox, thank you very much. while I may direct my questions specifically to one of the three of you, all three of you are certainly invited to make comment, if you feel it appropriate and it fits your agency, your knowledge of the Partnership, and the issues at hand.

Secretary Long, in your statement you note that the lack of consistency in funding and the lack of legislative foundation providing policy guidance and direction has been problematic from the very beginning of the initiative. Will you expand on this? And, with these thoughts in mind, would you support a line item for the partnership within USDA and other departments' budgets? Or how do you propose to deal with the lack of consistent funding? Also, what do you believe needs to be done legislatively to provide more direction and guidance while maintaining the flexibility necessary to meet the diverse needs of rural communities?

You gentlemen may certainly wish to comment on that also.

Ms. LONG-THOMPSON. Well, I think that the structure of this initiative, which is a great idea with great objectives and has had success in 36 States, they are very valuable to rural communities, but with the current structure I think a line item in the appropriations bill would be a mistake. And I think it would be a mistake for one primary reason, that being, since the councils are not under the authority of any agency or department in the Federal Government, I think that would be the first place that appropriators would look to cut funding in times of working very hard to balance the budget.

We have a difficult time, as you know, coming up with the salaries and expenses levels that are needed to administer the program levels that we have. Just in the time that I have been here, as you know, we have increased our program level significantly and at the same time we have considerably fewer number of employees for oversight. So I think it would become a very vulnerable line item and would probably be eliminated within a very short period of time, if not the very first year.

I think that structurally, and I don't have the answer here, but I think that structurally, if there are going to be Federal dollars spent, if you are consistently going to fund a particular initiative, then there has to be some kind of accountability back to the Federal Government. It is only good management, and that is not the way this is set up.

It as set up, I think initially when it was established this way, it was probably the very best approach you could have. Since that time, we have restructured in the Department of Agriculture and we have a very different structure that we are working with out in rural communities. We have Rural Development State Directors that did not exist in 1990.

So, I think that there needs to be some kind of accountability. I know, as an Under Secretary who has to take responsibility for the entire Rural Development budget, and can be and am held accountable by you, as I should be, and even more significantly by the taxpayers of this country, I need to be able to have some kind of authority over where the money is going and how it is being

spent. So I think you would want some kind of authorizing language that would have to be a critical component of any changes.

Senator CRAIG. The character of its creation, the executive order, basically kind of puts the idea out there, creates a broad structure but does not create by law a defined policy structure. Is that what you are saying?

Ms. LONG-THOMPSON. That is right. And when we have in Rural Development what is a 21-percent cut in administrative expenses, we have a very difficult time, even in a large agency, when you have an obligation to make that uniform across those areas that we are funding. That really hurts the Rural Development Councils that have very small budgets to begin with.

Senator CRAIG. Gentlemen, would either of you wish to, or both of you, comment on the base question?

Mr. CONTI. I would be happy to add to Secretary Long's answer and to really support her, in particular because we have a situation in the Department of Transportation where we have been able to fund the Partnership about $500,000 a year for several years. That money was no longer available taken from the Highway Trust Fund when TEA–21 was technically corrected. The administrative take-down-what is called the administrative take-down out of the Trust Fund for both Federal highways and for the State highway departments-was rearranged and changed, and the administrative budgets of the Federal Highway Administration in particular were fairly squeezed because of that take-down.

We also got a prohibition in 1999 from the House Appropriations Committee that we could not transfer this $500,000 to the partnership, and that prohibition was extended in the fiscal year 2000 budget. So, we are at a point where, unless we take it from some other agency, Within the Department, we really don't have the resources to support the Partnership at that level.

In fiscal 1999 I took $50,000 out of my administrative budget, which is somewhere in the neighborhood of $2,000,000; so $50,000 is a fairly good contribution from that size budget, but it was about as much as I was able to do from my office. We have requested in the fiscal 2001 budget, which is up here for consideration, $500,000 again for the Partnership, but that may be subject to the same treatment that it has received in the last couple of years.

So we do have a problem in assuring the consistency of funding, and I think that is an issue we would love to work with you on, with the caveats Secretary Long mentioned, that we don't want to create targets for other people.

Senator CRAIG. Thank you. Administrator Fox.

Dr. FOX. Mr. Chairman, we don't have a position on the line item of funding. I think we put up $422,000 a year and we plan to continue to provide at least that. The Partnership has been very valuable to us.

I would say that it is not a command and control function, and one of the values of the Partnership is, it is a convening dialogue across Federal agencies with the local councils. I would, quite frankly, defer to the local councils if they felt there was any need to change the administrative structure. I mean, we are doing it for them anyway.

Senator CRAIG. OK. We have been joined by my colleague, Senator Kent Conrad, who is a valuable member of this committee and probably one of rural America's clearer voices. Kent, will you wish to make comment?

STATEMENT OF HON. KENT CONRAD, A U.S. SENATOR FROM NORTH DAKOTA

Senator CONRAD. Thank you very much, Mr. Chairman. And thank you very much for holding this hearing, and a special welcome to Jill Long-Thompson.

Every year, Mr. Chairman, I do a thing we call "Marketplace" in North Dakota, and it has developed into quite an event. We had about 5,000 people there this year, and we have a series of display booths that show people what are things that are working to diversify a farming operation, to build jobs in a community, to attract new economic development to a region.

And, then we have a series of classes as well, this year nearly 150 different classes that were held, many of them, about a third of them on technology this year, and many of them were completely over-subscribed. I mean, you would go into the classes, classrooms were packed. And Jill Long-Thompson has come before, was there this year. We very much appreciate it, your presentation and your contribution to that program.

I think the reason I raised it, Mr. Chairman, is because, as you know so well, these rural States have been very hard hit by the agricultural crisis. We have been beset by low prices, bad weather, and a very, very straitened financial circumstance.

The result is, on many of the main streets of cities and towns in my State, and I am sure it is true in your State as well, there are really hard times out there. Anything that we can do to help generate economic activity, or plans for attracting economic activity, that is a plus, and I want to make sure that we are doing everything possible in terms of Federal Government involvement that can be productive.

I have found Jill Long-Thompson's office very sincerely motivated to make a positive difference in this area. I think her own background on a farm probably has something to do with this sincere motivation, because you don't have to talk very long about the problems that we are having with her, and she knows exactly what we are talking about.

I would just like to go back to the suggestion that the chairman made, whether it would be helpful to have a line item. I am on the Budget Committee, and I am on the Finance Committee, and I have learned, through sometimes bitter experience, it does make a difference. And I know that the panelists here have had a chance to respond to that, but I just wanted to add my voice that I think it would be a useful thing. If I could——

Senator CRAIG. Let me add, I asked the question about a line item in the context of the current structure of the program. It is an executive order that created it. We did not by a law create it, nor did we define it in a clear way, as to its role and its relationship. So I am concerned because the agencies in part have, because of its flexibility, been able to fund it to some extent. How do we

create consistency, I think is what I am interested in, and stability, therefore predictability, coming out of this program.

Senator CONRAD. Well, I think you make a very good point, because that is critically important out on the ground. If you have something that is there 1-year and it is not there the next, that is very disruptive to any kind of long-term plan.

I would just like to ask Jill Long-Thompson, could you tell us what you see happening out across the country? You have a special perspective because you don't just come to my State, and you don't just go to the Chairman's State, you are out around the country. Could you just give us a brief thumbnail on what you are seeing out there across the country?

Ms. LONG-THOMPSON. Well, there are some rural communities that are doing very well right now, but in many rural communities, particularly those that are more isolated and not as close to regional centers, they are having a very, very difficult time. North Dakota has a number of communities that there is a lot of work going on within the communities, but without having some kind of larger economy to tie into, they face a real challenge.

What I think is particularly valuable about the Rural Development Councils—and in this job, like in your jobs, you hear all sides of an issue. The councils are often criticized for spending the bulk of their energy on meetings within the State and national meetings and otherwise, but the reality is they don't have program dollars to administer. And in the rural community that I come from, having an opportunity to meet with folks from various Federal agencies, as well as State agencies, as well as interact with private foundations, that is a real opportunity.

My home town, our mayor is a part-time mayor. We don't have a staff of folks who have Master's Degrees in public administration and a specialty in grant writing. So when you have some kind of method——

Senator CONRAD. It is written over the kitchen table.

Ms. LONG-THOMPSON. Late at night after work, exactly. And so when you have some kind of initiative that brings these folks together, these meetings can be very, very valuable. But the real challenge is, with regard to the funding, if there is not a legislative structure that establishes accountability between the Federal Government that is providing the funding and the entity that is receiving the funding, in this case the Rural Development Councils, I think it would be very difficult to have sustained support for a line item. And so I think that if you have one, you have to have the other.

Senator CONRAD. Can I ask you just a very specific—Mr. Chairman, might I just ask a final question?

Senator CRAIG. Sure.

Senator CONRAD. A very specific question to Jill about the intermediary relending program. Our problem in North Dakota, one of our problems is that so many Federal programs are based on unemployment, and our problem is not unemployment, our problem is no employment. Our unemployment rate shows it is very low. Our employment rate, in the State of North Dakota, Mr. Chairman, hovers around 2-percent.

Senator CRAIG. Two-percent.

Senator CONRAD. That doesn't mean that we have got some burgeoning economic activity going on, it means people vote with their feet and they leave town when they don't have a job. It is pretty hard to make it through the winter without a job. We have an awful lot of people who are badly underemployed.

One of the things we have tried to do is get the various programs to relate to out-migration, and it has come to my attention on the IRP funding, that the application scoring only looks at out-migration over the past 10-years. In our State, we have been subject to out-migration for the last 100-years. We are one of the few States in the Nation that is going down in population, and I would be very interested in getting a change in the scoring so that, if you have a place that has had consistent out-migration for decades, not the just the last 10-years, that is taken into account. Would that be something we could work together on?

Ms. LONG-THOMPSON. Yes, I think it would just require a regulatory change. It would just require a regulatory change, and I will, when I get back to the office today, I will start working on that.

Senator CONRAD. I would appreciate it, because I do think it would be a realistic way of assessing where real need is, I think.

I thank you very much, Mr. Chairman.

Senator CRAIG. Thank you. I might say that maybe some of those folks have discovered Idaho, but I will leave it alone.

Senator CONRAD. Mr. Chairman, let me just say our people like to go South, and I am not talking South Dakota. Something to do with our winters, I think

Senator CRAIG. If anybody representing Senator Daschle is here, I would hope that word gets back to him.

In the 1996 farm bill, Section 381(1)(l), for the creation of the Rural Development Interagency Working Group to coordinate, make recommendations and evaluate all Federal rural development efforts, the conference report language for the bill indicated an expectation that National Rural Development Partnership would be the foundation upon with the Interagency Working Group is established. The report also provided for a role for State Rural Development Councils. What is the status of this Interagency Working Group? Was it ever established by the Secretary as instructed in the farm bill, and has it interacted with the Partnership?

Ms. LONG-THOMPSON. I want to check on a couple of things.

Senator CRAIG. OK.

Ms. LONG-THOMPSON. It has been functioning informally, and we have submitted a report to Congress, and it is based on input from a number of sources. It has been interagency, as directed by law.

Something else that we now do that has been helpful in this whole process, is our State Directors for Rural Development at USDA are required to write strategic plans for their respective States, and the strategic plan is for USDA Rural Development Administration of our programs. But in writing that strategic plan, they have worked with the Rural Development Councils in the 36 States that have them. They have also worked with a number of other entities in their States, and we have brought that information together, and that was a part of the report that was—or was used in compiling the report that was submitted to Congress.

Senator CRAIG. We recognize that there are 36 States. Our goal was that this would be a national program, nationwide. It is obvious that not all are participating. Why isn't there a council in each State, and what might be able to be done to achieve that goal?

Ms. LONG-THOMPSON. We have worked to encourage States to form Rural Development Councils, not only us at USDA, but the Partnership, and not just the national Partnership, but the councils themselves have worked in outreach. I believe it would be a more powerful network if there were one in existence in every State, and we have pushed for that, as I mentioned in my testimony. We have four States that we expect will have councils fairly soon.

But ultimately we don't have control over it because it is an executive order without legislative direction. There is no authorization, and so ultimately it falls on the responsibility of the States to determine whether or not they want to have a council. And, as you know, the governors play a particularly strong role in that because they are the ones who appoint the director for each council in each State.

Senator CRAIG. OK.

Ms. LONG-THOMPSON. But we are working on that. And I will tell you it is a double-edged sword, because at the same time that you want there to be one in all 50 States, because of the gained influence from that, that means you have to divide the resources that you have among a larger number of councils. So I still think the right decision is for it, if it is truly going to be national, there should be one in every State if the States want them. But in a true Federal-State partnership, you leave a lot of that control to the State level, and it is up to them to make that determination.

Senator CRAIG. Your presence here obviously says all of your agencies are involved in the partnership, and you have some success stories. Do you feel that the all-agency and department approach in contributing is adequately being done in the Partnership with both money and time at this point, and what do you believe can be done to increase participation in the Partnership?

Obviously, transportation is key, the kind of programs that USDA has is key, that can contribute to economic development. Health care is critically important to rural America, especially the foundation of health care if we are to have the ability to draw new development, new jobs, into a region. But the Partnership has been somewhat limited in its participation at this level. Any suggestions?

Ms. LONG-THOMPSON. I would then go back to what I said initially, which is some kind of legislative authorization with accountability.

Mr. CONTI. I think we would support that as well, Mr. Chairman. I think there are good examples where it has worked well. Again, from our department's perspective, it is very important to involve people at the local level in the rural areas in these important transportation decisions, and we see good examples of where that has really helped create better transportation projects and really helped local economies. So we would support strengthening that relationship.

Ms. LONG-THOMPSON. One other suggestion would be more money appropriated from Congress. That would help.

Dr. FOX. Mr. Chairman, two comments. One, it is my understanding that we could do with perhaps a little broader participation across the Federal Government on the National Council, that is one thing that perhaps is limiting us. And obviously if they participated, they would hopefully bring some money to the table. And that also is impacting, I understand there are four States that would like to have a council today but are limited by the lack of funding, so it really is an issue in many ways of—I mean there are a lot of other issues as well, and I don't want to minimize those, but funding is a major issue.

Ms. LONG-THOMPSON. May I follow up on that, too?

Senator CRAIG. Sure, Jill.

Ms. LONG-THOMPSON. Because I have spoken with Mayor Graham and with others about requiring a greater match on the part of the States, but that would be quite a burden on the States, and there are many that believe that, that would literally kill some of the councils in some of the States. So I think that is an important point to have on the record.

Senator CRAIG. My last question to all of you, then: Should the Partnership continue? And if it is to continue, should we legislate it?

Ms. LONG-THOMPSON. The answer to the first question is, without hesitation, yes, it should continue, and I think I unhesitatingly say yes, there needs to be some kind of legislative authorization to make it as successful as it can be across the country.

Mr. CONTI. I would concur with those remarks, I think that is correct.

Dr. FOX. Absolutely. It is a valuable tool, and I think we would be pleased to work with the Congress if you wanted to put this in statute.

Senator CRAIG. OK, well, thank you very much for your presence here today. If I have additional questions, I will submit them to you in writing and you can respond to them in your leisure. Thank you very much for taking time to be here today. Thank you very much.

Now, our second panel: Chuck Fluharty, Director, Rural Policy Research Institute; Bill Graham, Mayor of City of Scottsburg; Tom Hudson of the Tom Hudson Company; Cornelius Grant, Executive Director, North Dakota Rural Development Partnership; Dave Black, Deputy Secretary for Community Affairs & Development, Pennsylvania Department of Community and Economic Development; and Colleen Landkamer, Commissioner, First District, Blue Earth County. Where is that?

Ms. LANDKAMER. Minnesota.

Senator CRAIG. Minnesota. Thank you all for being here. With that, we will start out in the order in which I have introduced you all to the hearing room. Chuck Fluharty, Director, Rural Policy Research Institute. Thank you for being here. Please proceed.

STATEMENT OF CHUCK FLUHARTY, DIRECTOR, RURAL POLICY RESEARCH INSTITUTE (RUPRI), COLUMBIA, MO

Mr. FLUHARTY. Thank you, Mr. Chairman, and I would ask my full testimony be included in the record.

Senator CRAIG. Without objection.

Mr. FLUHARTY. I appreciate that. First of all, I would like to express appreciation to you and the Subcommittee for this opportunity. I do have testimony, I was asked to go into the full overview of "the new rural reality," and I think you know that is primarily why RUPRI works with the U.S. Congress across a broad range of issues.

In the interest of time I would, unless you have specific questions, Mr. Chairman, like to just say generally what that reflects is what the old rural sociologist once said: "When you have seen one rural community, you have seen one rural community." We are a highly diverse rural America. It makes it therefore difficult to craft national programs. It is why an occasion like the Partnership is so critical.

Our rural economy is growing. It is fragile and uneven. Three-fourths of our counties in the United States are rural, that are growing. However, of those only four out of ten are getting most of the growth and, as you know, our historic extraction industry counties are lagging. Generally, we still have huge challenges in human and social capital, but we are benefiting from an expansion in the economy of our country, and significant pockets of significant growth exist, and I would be happy to take any questions you have.

I would like, however, just to offer a few comments. One of my great gifts is the ability to travel, not only around the country but to other countries, and learn how their public culture is working with the private sector in rural development. I would just like to offer four or five perspectives on this moment.

I think it is really critical, Mr. Chairman, that we get an emergent rural perspective from this Congress. I think the fact that Under Secretary Long-Thompson and Assistant Secretary Conti and Administrator Fox are here is recognizing there is an emergent understanding of the unique rural differential.

The second thing I would like to ask is that you continue to think about how critical this Subcommittee is. We know that the farm gate and Main Street are inextricably linked from now on, and I think the potential for your leadership to continue in looking at integrative role policy efforts out of this Subcommittee is so very critical. We are very enthused on the House side there is a Congressional Rural Caucus forming which is bipartisan. And I think because of the growing suburban context in the policy culture, it is critical for leaders like yourself to continue to offer these opportunities. We commend you for it. I think it will be critical.

I would like to offer three or four perspectives, at the end, from RUPRI's understanding of where rural policy is, that does relate to the partnership. I think it is really critical that we build a more integrative community, common sense, grassroots-based sense of how public policy is going to move in rural communities. And I think the National Rural Development Partnership, if we didn't have it now, we would be creating it to do just exactly that.

I think there really is a need for a new rural pragmatism. We are not going to have a national rural policy. We need to build community rural policies, and I think to take that to scale, we are going to need to think about what leadership in this Congress can do to accomplish that.

I will list five areas where I think globally rural policy is moving to address specific public policy opportunities in a private sector world. The first is the digital divide. It is absolutely critical. There is a legislative and regulatory component to that. There is very, very clearly in that regard a private sector link, and I think the Partnership is doing very meaningful work in States to do that.

Second, we have got to look at private sector based regional economic strategies in IT. Many of these States are doing that and are working with congressional committees there. third, we really need to support rural entrepreneurship, and that is starting to happen. It is not just equity and venture capital, but it is also systems of support. The councils are doing that.

The last two issues, we really do need to continue to address what is going on in the Ag sector, how those challenges and shifts are occurring. councils are engaged in that. The last issue is the whole area of the rural landscape: land use, environmentally appropriate new business and infrastructure. And, finally, how do we build social and institutional capital to make sure our best and our brightest do not leave?

In closing, I think that is all about local leadership, and I think we really need to craft new rural, new governance opportunities for leaders like Mayor Graham, Colleen Landkamer, and councils. If we didn't have a Partnership, we wouldn't be doing that, Mr. Chairman.

I think this 10-year experiment is at a very different place than it was, as is rural America today. And I really do think you will continue to provide, hope you will continue to provide leadership to think through legislatively "How do we sustain this?" It is unique in our country, and reflects global trends in building public, private philanthropic linkages that are community-based.

I really do thank you again, and the Committee, for your time today. This is a wonderful moment to begin this dialogue, and we thank you.

[The prepared statement of Mr. Fluharty can be found in the appendix on page 53.]

Senator CRAIG. Well, thank you very much for those comments.

Now, Mayor Bill Graham with the City of Scottsburg. Mayor, why don't you pull that microphone around so that we can hear you?

STATEMENT OF HON. BILL GRAHAM, MAYOR, CITY OF SCOTTSBURG, SCOTTSBURG, INDIANA

Mayor GRAHAM. Thank you, Mr. Chairman, and members of the Committee. I would like to say I am very honored but very humbled to be here today. And I am Bill Graham, and am here today wearing several hats. I am the Mayor of the city of Scottsburg, Indiana, a community of 6,300 people; I am the Chairman of the Indiana Rural Development Council; and I am also Chair of the Executive Committee of the National Rural Development Partnership.

I would like to give you an overview of how work on the Partnership supports the Indiana Council, how these organizations benefit communities like Scottsburg and other States.

The National Partnership provides foundations for success. It has the unique ability to connect the efforts of Federal agencies by co-

ordinating resources. All of these agencies have programs that benefit the quality of life in rural America. The work of the NRDP is exceptional, however, because no other structure exists to provide coordination of these services to the State and local levels.

Along with Federal agencies, the Partnership brings in representatives of State, local, and tribal governments, as well as the private sector. All partners come to the table as equals and participate in decisionmaking. We are also equals in doing the work and in celebrating our successes. We are not about taking credit, but instead we work together for the mutual benefit for all. The Partnership does not have advocate for new programs or bigger government. Instead, we focus on building bridges, using the foundation to make better rural communities across the country.

The Partnership provides a forum that allows us to network with our counterparts from around the country. This network results in sharing the experiences and good examples that take place in each of the member States. I have taken many ideas home from the national and State meetings and put them to use to make my community a better place to live.

Limited resources certainly minimize our effectiveness. Our communities and States look to the National Partnership for leadership through issues. It is important that we continue to provide these services for the betterment of our rural areas.

The Indiana Rural Development Council is the only Statewide entity working exclusively to alleviate the disparities in Indiana. Our agency's purpose is to coordinate the efforts of citizens and governments to meet the economic and social needs of rural Indiana.

The council does not operate as a State agency, nor are we a Federal agency. Our council operates at the discretion of the leadership of our governing board, which is comprised of 28 representatives from each of the five sectors. We also add State legislators appointments, and we recently added representatives from the U.S. Senate and Congress' offices.

The council is not a funding source for communities. We operate on $87,000 a year to date. The work of the council is done through task forces, and some of these have been the Environmental Infrastructure Working Group, helping communities identify potential funding sources for water and wastewater projects and other infrastructure projects.

We also have a Housing Task Force which assists the communities in researching all of their housing assistance. This is known as IHART, Indiana Housing Assistance Review Team, to help applicants identify partners who can assist in providing affordable, safe and sanitary housing.

The Community Visitation Program is one of my favorites. The community visits allow a team of resource providers to listen to elected officials as well as community residents, to allow key problem areas and resource needs to surface in an informal, open setting. Rural communities, although they may be about the same size, differ greatly when it comes to needs. We are able to provide a handbook to these elected officials reporting not only what we have heard throughout our visits, but also listing resources available to them if they wish to take action on these resources.

I can go on and on, but as a Mayor I would like to say how important it has been to me to serve in the Indiana Rural Development Council and to serve in the National Rural Development Partnership.

I picked up my paper before I left home, and we have a local paper in Scottsburg, Indiana, and it is called "The Giveaway," and it just comes out every Wednesday, so I haven't got the latest copy but this is the latest copy before I left Scottsburg.

Page 1 on "The Giveaway"—and I only bring this to show you the kind of issues that we face in small rural communities and as a local elected official—on page 1, "Workforce Center is designated as a 'one-stop center' for support services in Scott County." And why our Workforce Center was designated as a one-stop is through my participation in the Indiana State Council and the National Rural Development Partnership, and my effort to make sure that our county was a one-stop center.

Page 5, "Domestic situation results in shooting at local school and liquor store-two dead." Very devastating to a small community with a population of 23,000 people in the whole county, but very real rural issues that we deal with.

Page 9, "Purdue Extension Service offers stress management workshop for farmers and rural residents." And this maybe might have been one of those most sickening to me, is the fact that we are looking like we have already give up on the farm crisis and those folks are going to lose their farm, not looking at programs like risk management and other things, as to how much they might be keeping their farm.

Special insert, "Basketball Mania Preview." Basketball still prevails very high in the State of Indiana.

There is no educational degree or training I can get to prepare me for dealing with these issues, no State or Federal Government that can provide all the services we need to assist our communities with all these things. To be effective, local leaders need to network to find proper resources to assist them. The National Partnership, through the work of the State councils, provides this nonpartisan forum.

I would really like to thank all of those who has been our partners and our supporters, and would really like to thank this group, but the Under Secretary, Jill Long-Thompson, and USDA Rural Development has certainly been a faithful partner to us, and all the other Federal funding agencies who have been here today, I personally want to say thanks for standing by and helping us. I must conclude, but I will submit my testimony, and thank you again very much for allowing me to be here.

[The prepared statement of Mayor Graham can be found in the appendix on page 59.]

Senator CRAIG. Mayor, thank you very much for that heartfelt testimony, and thank you for your leadership at both the State and national level.

Now, let me turn to Tom Hudson of the Tom Hudson Company of Moscow, Idaho. Folks, that is not "Moscow," that is "Mosco." Tom, welcome before the Committee.

STATEMENT OF TOM HUDSON, PRESIDENT, TOM HUDSON COMPANY, AND CHAIR, IDAHO RURAL PARTNERSHIP

Mr. HUDSON. Thank you, Mr. Chairman, and thank you for that clarification. I appreciate it. I would also like to thank you for your efforts in organizing this very important session. It is a privilege to be here.

I am the Chairman of the Idaho Rural Partnership and the principal of Tom Hudson Company. I have been a rural development practitioner for 21 years, and am proud to be a fifth generation rural Idahoan. I share this background to emphasize that rural development is really not just my vocation but also my heritage and my mission in life, so I take my time with you very seriously today.

In the precious time that I have with you, I would like to emphasize four key points. First, American rural communities and lifestyles are in peril. Second, a strategic public-private partnership is needed to restore and sustain a stable rural economy. Third, our State and National Rural Development Partnerships are by far the most effective means for undertaking this effort. And, fourth, the current linkage to our valued Federal partners lacks two essential elements: Our funding is unpredictable, and there is no systematic commitment to a long-term relationship.

As someone from the private sector, I have developed my commitment to the Idaho Rural Partnership carefully. I am supposed to be in business to make money. Six years ago I chose to volunteer my time with this organization because I found that it wasn't just unusual in the State, it is actually unique. Hundreds of people from all walks of rural life and government are working together as a team on rural issues and collaborating very effectively, building a series of outstanding successes.

The Idaho Rural Partnership operates from the principle that the residents of a community are best qualified to determine what constitutes progress in their communities. It follows to us that the best role for our partnership, then, is to inform and advise our rural communities and businesses; to increase their capacity for helping themselves; to link rural people with programs and resources that can help them address their needs; and, finally, to guide governmental partners in filling the gaps in rural service.

Frankly, speaking, I came prepared today to outline and brag about, about 20 or so recent successes at Idaho Rural Partnership. Most of these projects have specifically helped to improve business conditions and helped to stabilize or create jobs. However, in the brief time that I have with you, I will just say simply that the projects we have completed address important facets of agriculture——

Senator CRAIG. If you have, go ahead and give us a couple of examples. I think for the record it would be important to understand the kind of projects or the character of the projects involved. Please take time to do that.

Mr. HUDSON. Thank you. I appreciate that. There are so many partners in Idaho, it is difficult for me to pick anybody else's favorite reliably, but I can tell you that my own personal one relates to a project that has taken just about 2-years to undertake, incorporating the insights of nearly every partner we have on our board. It is related to the biological control of weeds, which as you may

well know, in Idaho is a very serious issue. Just on an annual basis, we lose 30,000-acres a year to yellow star thistle.

So we have our State Agriculture Department, Department of Commerce, Labor, so many different agencies that have a particular interest in this. Idaho Rural Partnership, led by our executive director, Dick Gardner, began a process a couple of years ago to engage all of these different agencies, nonprofit organizations, and in fact our tribes, in trying to address and identify a system that can successfully begin to push back on our dramatic noxious weeds problem.

In the course of that 2-years, we successfully created a conceptual feasibility study, then went into full-fledged business planning with assistance from our outstanding partners in the Economic Development Administration. Ultimately, the Nez Perce Tribe, with assistance from the Department of Agriculture and the University of Idaho Extension, as well as many other members of the Partnership, put together an entirely new tribal enterprise focused on biological control of weeks. They are now up, fully running, and as a full-fledged business, addressing problems not just in our State but all over the intermountain Northwest, creating highly valuable jobs within the Nez Perce community, a very stressed community in Lapwai with a high level of unemployment which has exceeded 50-percent in recent years, and these are jobs in the area of horticulture science, forestry, and entomology. I think this is an outstanding example of the kinds of things that can go on, and I have others that I would be happy to share with you.

Note that our projects are creatively funded using agency and private sector investments. Both the Idaho and National Partnerships are not about massive new spending programs, as our national Chair has shared with you, but rather we are about making existing programs more effective by working together. In a sense, the State Rural Development Councils often work as a glue to link and bind diverse sets of organizations together.

We feel that the job of the Idaho Rural Partnership has only just started. As with many Western States, the economic health of Idaho communities varies widely. As you pointed out earlier, we have communities that are growing, some communities growing substantially, to the degree that with 8- to 12-percent growth annually, they just struggle to keep up with it. But more often we find that our rural resource dependent communities are just fighting to remain viable.

And, similarly, the job of the National Rural Development Partnership has just begun. To be more effective, we need to expand the principle of collaboration. I think all of us in the 36 States represented currently feel that we need this in all 50 States. It also means that funding councils is needed at a level where they can actively management a larger number of collaborations.

I am excited about this hearing because I believe one important partner has not really been invited to participate in the past 10-years of the National Rural Development Partnership, and that is namely the U.S. Congress. You have the ability to recognize collaboration as the most effective way to get progress accomplished on the ground, and the NRDP is the most effective way to lead this effort.

Together, we have the ability to allow Federal field staff to participate fully in our State councils, and as you may know, they can't all do that today. You have the ability to encourage more Federal agencies with rural priorities to invest financially in the NRDP, and you have the ability to build bridges across the vertical flows of Federal funding streams.

We in Idaho invite you and we urge you to build upon this outstanding job that we in Idaho see as being attained by the National Rural Development Partnership. We would like you to help us engage our Federal partners strategically and systematically in our mission to sustain your rural economies and communities.

Finally, I would say we look forward to continuing this important dialogue with Congress on rural partners, and I thank you very much for this chance to speak with you.

[The prepared statement of Mr. Hudson can be found in the appendix on page 63.]

Senator CRAIG. Tom, thank you very much.

Now, let us go to Cornelius Grant, executive director, North Dakota Rural Development Partnership. Mr. Grant, welcome before the Committee.

STATEMENT OF CORNELIUS GRANT, EXECUTIVE DIRECTOR, NORTH DAKOTA RURAL DEVELOPMENT COUNCIL

Mr. GRANT. Thank you. Mr. Chairman, on behalf of the North Dakota Rural Development Council and our fellow State Rural Development Councils in 35 States located across rural America, I initially wish to express appreciation to this distinguished committee for affording the opportunity to discuss the common bounds of the partnership, and then to describe several relationships unique to North Dakota.

The National Rural Development Partnership is a network of established and emerging rural institutions that work together to strengthen rural America. Each of the State councils is comprised of active volunteer members from a broad range of rural development organizations which are served by a full-time executive director. States may differ on how they are organized and on the rural issues they decide to address.

The North Dakota Rural Development Council is governed by an 18-member board of directors, five derived from the private sector, including the chairman, who is appointed by the governor of the State. Other board members are elected by their peers to represent community/local government, major communities, tribal governments, and State and Federal agencies. One or more of our board meetings are held in field locations, in regional centers, or on one of the State's four Indian reservations.

I am an enrolled member of the Turtle Mountain Band of Chippewa Indians, and was born and reared on the Turtle Mountain Reservation located in north central North Dakota. With pride I say that I am also a retired 35-year veteran career civil servant.

It is my understanding that I am one of two Native Americans presently serving as council executive directors, the other being Chuck Akers from Alaska. Also, we have at least one board of directors chairman in Quentin Fairbanks of the Minnesota Rural Partners, and one co-chairman, Donna Hair of the Oklahoma RDC.

I mention these factors to underscore the inclusive intent of the State Rural Development Council concept, and as one of the stated goals of the North Dakota Rural Development Council, to forge new and proactive partnerships.

The NRDC and councils in general, and our counterparts in the other 35 States at this time, are charged with the primary responsibility to bring together State, Federal, local and tribal governments and the private and public sectors in meaningful forums, offering opportunity to join forces, cooperate in new ways, and devise strategic action plans to address common issues or concerns, ultimately to strengthen representative communities and rural America itself.

The council is not intended to be a new rural development program, a source of funds, a project clearinghouse or a lobbying organization. The goal is to make existing programs work more effectively to meet the needs of local communities. The council's role is to complement, reinforce and enhance these efforts by serving as a facilitator, expediter, convener, coordinator, and where appropriate, initiator.

The North Dakota Rural Development Council is a relatively new organization, but we are gaining visibility and stature as we proceed with our Annual Work and Strategic Plan. The first opportunity in this regard was to become part of the State's team to assist the recovery efforts necessitated by the 1997 winter blizzards and flood, which brought devastation to large numbers of Red River Valley communities in eastern North Dakota and three of the four Indian reservations in our State.

Two years ago the council entered into a partnership agreement with the North Dakota Department of Emergency Management, wherein local meetings would be held in the 14 counties and four Indian reservations, to better acquaint the two parties to emergency management matters and the availability of State EM training and supportive service. Responsibilities were to encourage and assist the design of a local awareness campaign, and ultimately formulate mutually acceptable operations and hazard mitigation plans. At this juncture each of the four tribal governments have designated EM contacts who are attending State-sponsored training sessions and are working closer with their neighbors on a defined cooperative response basis, neighbor-to-neighbor.

In early 1998 a new Leadership North Dakota initiative was announced by the governor's office and, more importantly, the NRDC was pronounced to be the lead entity in this special effort. The council and partners developed a multistate strategy built around high visibility statewide events, including the use of interactive television broadcasts to 12-sites, including the two tribal community colleges. At this event we had over 200 participants.

The second event was a six-hour seminar presented by the best-selling author and motivational speaker, Tom Peters. This event was attended, free of charge, by over 5,000 community leaders and interested citizens.

The first annual Leadership Development Conference was attended by nearly 1,000 participants, who were welcomed by showcase community betterment booths and leadership building classes and materials.

A direct offshoot of the Leadership Initiative was a charge to the NRDC and many partners to develop a common format and process for community strategic planning. Seventy facilitators from every geographic region in our State have received the necessary training and are so certified. As a prerequisite to this free training, each committed to assist at least one community in their area to complete an acceptable strategic plan.

Later this month we are scheduled for a one-day refresher course and additional group dynamic skill-building exercises. Selections are currently being made for active participation by at least 30 communities and the 4 Indian reservations, to be assisted as necessary to complete satisfactory community strategic plans.

These activities are noted as tangible examples of the power of proactive partnerships, such as those forged by the NRDC and a large number of individuals and organizations who are dedicated toward enhancing the quality of life and standard of living in North Dakota. My counterparts in the other 35 States have accomplished as much, or in many cases much, much more, through the auspices of the State Rural Development Council concept.

Your demonstrated interest in the State Rural Development Councils is sincerely appreciated. Thank you again for the opportunity to describe what the North Dakota Rural Development Council is all about, and on behalf of rural America, our ambitions for the future.

[The prepared statement of Mr. Grant can be found in the appendix on page 69.]

Senator CRAIG. Mr. Grant, thank you. A gathering of 5,000 is more of a "happening" than a meeting, isn't it?

Mr. GRANT. It was a very exciting time.

Senator CRAIG. Must have been.

Mr. GRANT. And I emphasized the motivational part, but we were trying to build leadership.

Senator CRAIG. Well, congratulations. That is a marvelous story.

Mr. GRANT. Thank you.

Senator CRAIG. Now, let me turn to Dave Black, Deputy Secretary for Community Affairs and Development, Pennsylvania Department of Community and Economic Development.

Mr. Black.

STATEMENT OF DAVID E. BLACK, DEPUTY SECRETARY FOR COMMUNITY AFFAIRS AND DEVELOPMENT, PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, HARRISBURG, PA

Mr. BLACK. Thank you very much, Mr. Chairman. It is a pleasure to be here this afternoon. My name is David Black. I am Deputy Secretary of what we call DCD, serving the residents of Pennsylvania. My responsibilities include oversight of Pennsylvania's development efforts in three primary areas: local government; community development, which we refer to affectionately as community building; and entrepreneurial development. I also serve in the capacity as Governor Ridge's alternate to the Appalachian Regional Commission, which has a largely rural focus.

Prior to serving in State government, I did serve as a county commissioner in rural Pennsylvania, northwestern Pennsylvania,

Clarion County. I had the opportunity also to serve as chairman of the Northwest Regional Planning and Development Council, serving eight counties in rural northwestern Pennsylvania with delivery of both State and Federal programs.

What I would like to do today is just share with you a little experience from my prior life, and then perhaps talk a little bit of how this integrates with what is going on with the Rural Development Council in Pennsylvania.

During my time in service in county government, which started in the mid 1980s through the mid 1990s, it was a very difficult time in many rural places throughout the country. In northwestern Pennsylvania, we were largely a natural resource based rural area, coal, timber, oil and gas, and there were certainly difficulties in the economy in general, but specific difficulties with the local economy. We had to pool together regionally, work locally, try to figure out a way to shift our local industrial base while the national economy was going through a shift as well.

To make a long story short, through a lot of phone calls, a lot of meetings, a lot of local effort, a lot of outreach, we did manage to do that, did manage to get things turned around in our county. However, the recovery I think, in looking at what is in place now with the Pennsylvania Rural Development Council, might have happened a little sooner, it might have happened a little quicker, and I think probably would have happened with a lot less consternation on the part of local elected officials, had the Pennsylvania Rural Development Council been in place.

The Rural Development Council in Pennsylvania dates back to 1992, shortly after the executive order was signed. Since Governor Tom Ridge has assumed office in 1995, the council was moved from a regional office of one of our State agencies to the State Capital in Harrisburg; it was removed from a State agency, became part of the governor's executive office; and was elevated to the stature of the governor's office and recently became part of State government through an executive order issued by Governor Ridge.

The council enjoys a stronger efficacy role because of this position in State government, and has access to expanded resources within State government. In addition to the Federal funding, State government, we do provide approximately $180,000 a year in State funding to help the council carry out its mission.

The mission of our council in Pennsylvania is relatively simple: convening, facilitating, coordinating, educating, and advocating. The Pennsylvania Rural Development Council has sought to open lines of access and communication throughout rural Pennsylvania. We largely use telecommunications technology through 10-sites located throughout the Commonwealth to establish four, at least four meetings a year to discuss a number of issues. These are live teleconferencing, so not only do people have the opportunity to hear State and Federal officials, but they also have the opportunity to exchange information and learn from their peers.

Having been on the presenter side of some of these forums, they have been very lively. It was, as a former elected official, it was one of the first times that I actually took a hit via telecommunications at one of these meetings, but it was——

Senator CRAIG. But they can't throw things.

Mr. BLACK. They can't throw anything but, as you probably could appreciate, verbal jabs do hurt occasionally.

Senator CRAIG. Yes, I have been there.

Mr. BLACK. But it was, it has been a very good mechanism and a great opportunity for people to share information using telecommunications. Pennsylvania is a very large State, and to get from the furthest corner of the State to the State Capital is about 6-hours.

We have had a number of very important presentations, and included in my testimony is detailed information of the presentations we have had. A couple of interesting ones that I would like to mention here, in the limited time I have left, we did have presentations on our transportation planning relative to TEA–21. We did have a presentation on Governor Ridge's Keystone Opportunity Zone program, which I believe the rural outreach helped this program to be very successful in its first year, creating 3,000 jobs Statewide, but notably 2,000 of those 3,000 jobs were in rural parts of the State.

We have talked about Federal safe drinking water law. We have talked about electric choice; Pennsylvania was one of the first States to use electric choice. We have also had discussions on Governor Ridge's "Link to Learn" program, which is an outreach to school districts to provide telecommunications and e-commerce capabilities in school districts.

Through this extensive outreach, the Pennsylvania Rural Development Council has been a great tool. The Pennsylvania council does not do the development work, but it helps to enable it to happen. It increases the opportunity to share experiences across rural Pennsylvania on a peer-to-peer basis, it increases accessibility to Federal and State government officials on programs to aid development. That creates a sense of camaraderie among rural Pennsylvanians, so that they know that they are not alone and they are not forgotten.

Thank you for the opportunity to be with you this afternoon.

[The prepared statement of Mr. Black can be found in the appendix on page 72.]

Senator CRAIG. Well, Mr. Black, thank you very much.

I was, I guess, surprised some months ago when I heard the trivia question asked, "Which is the most rural State in the Nation, and which is the most urban State in the Nation?" We westerners, because of our large landscapes and oftentimes small communities, sparsely populated, view ourselves as often the more rural, but by definition we are not; you are. And I found that most interesting, but I guess it is a matter of the spread of populations as it results to the numbers of people.

Mr. BLACK. Outside of Philadelphia and Pittsburgh, we are a largely rural State.

Senator CRAIG. That is right, and of course the most urban State in the Nation, that none of us would probably have guessed, is Nevada, because all of the population is in one spot, nearly. The rest of the State is Federal.

So when it comes to rural development, in the times I have had the privilege of driving across your State, I am always impressed by the spread of the population and the number of people who do live in, by definition, a rural environment, significantly different in

a much more uniform way than we find it clustered in our western States.

Thank you very much. Now, our last presenter this afternoon is Colleen Landkamer, Commissioner, First District, Blue Earth County. Wonderful name.

Ms. LANDKAMER. It is a beautiful name, beautiful county. We would love to have you there.

Senator CRAIG. Now, I would assume that is very fertile land, or is it clay?

Ms. LANDKAMER. It is clay. That is where the blue comes from. When the Indians came through, it is a grayish tinge, and so they call it "blue earth."

Senator CRAIG. Thank you. Please proceed.

STATEMENT OF COLLEEN LANDKAMER, COMMISSIONER, FIRST DISTRICT, BLUE EARTH COUNTY, MANKATO, MINNESOTA

Ms. LANDKAMER. Thank you, Senator Craig. I appreciate you allowing me to testify before your committee today. My name is Colleen Landkamer. I am the Chair of the Blue Earth County Board of Commissioners in Minnesota, and I also Chair the National Association of Counties Rural Action Caucus.

As an elected official from Blue Earth County, I have served for several years on the board of directors of the Minnesota Rural Partners. In fact, the executive director of Minnesota Rural Partners is here today, Marcie McLaughlin.

Minnesota Rural Partners does not distribute money nor administer any programs. Rather, through an information-based "learning while doing" approach, Minnesota Rural Partners addresses complex rural problems from a Minnesota, not a Washington, DC. perspective. They do this in a very efficient manner by convening the varied partners, building those critical inter-and intragovernmental relationships, promoting strategic partnerships, making better use of existing resources. Frequently they intervene in a problem-solving mode. They are making a difference in rural America, they are improving the quality of life, and they are representing a new model of governance.

Now, Minnesota Rural Partners has done various things but I would like to talk about just a couple things that they have done for my county and our State. We had horrible storms last year that produced floods and tornadoes. MRP coordinated with the Federal agencies to help alleviate the conditions in counties following these severe storms. With the MRP in the forefront of the disaster mitigation, the citizens throughout Minnesota and my county all benefited from their services in coordinating those issues.

They have also proved extremely beneficial in getting out information and best practices examples that have helped all counties in Minnesota on issues ranging from technology to agriforestry. There are 35, as you heard previously, other NRDP State Councils throughout this Nation, and they are all doing similar things. We are all a little different but there is a significant similarity.

I also want to tell you a little bit about the National Association of Counties and our relationship with the Partnership. As you know, NACo is the only organization that represents counties

across the United States, headquartered on Capitol Hill, and it is a full service organization for our counties. We have got a multitude of relationships with various entities, be it the National Governors Association, the League of Cities, but also the National Rural Development Partnership, the Rural Policy Institute. There is a multitude of partnerships that we have formed in the last few years just to deal with rural.

At NACo I chair the Rural Action Caucus, and it was recently created, just 2-years ago. Previous to that for 2-years we had a task force that looked at rural issues, but it is a relatively new thing for the National Association of Counties to have a rural task force or a Rural Action Caucus, which I chair. I represent 2,350 rural counties. That is a lot, and there is a lot of rural counties out there.

You recently spoke at our national conference, emphasizing the need to seize the initiative, and that is what we are trying to do. We really appreciate your leadership on S. 1608. You are making such a difference for our forest counties across the United States, and that includes Minnesota, too, and we appreciate all the work you and your staff have done.

Our Rural Caucus membership consists of about 1,000 rural county commissioners, and with their help, our two primary focuses this year will be bridging the digital divide and providing adequate health care services to rural counties, which is one of the most basic things that we think in our rural counties that you need in order to move forward.

It is essential that our rural partners collaborate on these initiatives. Through future partnerships with our Rural Action Caucus, RUPRI, the NRDP, and rural State councils throughout America, we can make a difference as to how this country functions. We want to do it from the West across the Nation.

So I would like to cite the importance of Under Secretary Jill Long-Thompson's role in promoting rural initiatives at the USDA, and I want to thank you, Mr. Chairman, for your leadership for rural America and how you are making a difference. Thank you.

[The prepared statement of Ms. Landkamer can be found in the appendix on page 76.]

Senator CRAIG. Well, thank you very much, Colleen, for your comments and those kind remarks.

Let me lead into a question for all of you that really is a spin-out from the legislation that Colleen is familiar with, some of you may not be, as 1608 that I and Senator Ron Wyden of Oregon are trying to cause this Congress to deal with. It creates by direction a more clarified way of arriving at a collaborative process and rewards for doing so, by suggesting that in these areas of—this happens to be resource management on public lands—that in these areas where there is conflict between national policy and local economies, they don't mesh, as a result of that we find our local economies growing nonexistent because of a national policy in relation to a public resource, we are causing a collaborative process to come together and from that, if consensus is built as it relates to local programs, local projects, happens to be on Federal lands with Federal resources, then there is a reward of matching monies and those kinds of things.

I strongly believe that we have to move more toward a community-based collaborative process that involves all of the stakeholders, and many of you have employed that, either directly, or by the character of what you are doing, you are doing that ultimately. So the question is, when working on a problem, how do you ensure that you are truly working in a collaborative process and not just a process representing only a few points of view? Have you created a template from which you bring together a particular group for that purpose? Any one of you might respond to that.

Ms. LANDKAMER. If I could respond, Senator——

Senator CRAIG. Yes.

Ms. LANDKAMER.—I think in Minnesota, when you look at our board, it is extremely diverse, and I think that is very helpful, from Federal, State, local, tribal, the whole multitude of people that engage in that process. And what I have found is that it is such an open process, the way ours is run, that we are always bringing in new partners.

One of the projects last year was a rural-urban dialogue between a section in the City of Minneapolis and Crookston, which is a rural community in northern Minnesota. And I think the strength of that was, it make everyone realize that our issues are the same; the solutions are a bit different.

I really do believe that we have really opened up a broad dialogue. And it a challenge. It is a challenge to make sure that you are touching everyone that should be involved in an issue, but it is something we continue to work towards, and I think the broad membership of the Partnership makes a difference.

Mr. BLACK. And I would like to—I'm sorry, Mr. Chairman.

Senator CRAIG. Go ahead.

Mr. BLACK. I would just echo similar comments. When there is an issue that develops, the director of the council has had the ability to bring together the various agents or agencies involved and bring it to one of the issue forums and discuss whatever the issue is.

We had an issue, timbering in the Allegheny National Forest, and there has been some discussion on trying to get the partners to the table, and just using the format as it exists to share information and perhaps some ideas come out of it, and then from there solutions can be discussed.

Senator CRAIG. Anyone else wish to comment on that?

Mayor GRAHAM. I would like to say in Indiana sometimes, many times we ask ourselves, you know, "Is this a place where we belong, or are we just getting in the way of something that is already in progress?"

Senator CRAIG. A reasonable question.

Mayor GRAHAM. Yes, and sometimes I think we figure out, maybe, that we were or we could just be getting in the way. But it seems like with as many players as we have sitting at the table, that those things are very early identified as to where we need to fit in and how our role can be.

Senator CRAIG. OK. Go ahead.

Mr. FLUHARTY. Mr. Chairman, I would just add, first of all commend you for that effort, and simply say I was sharing with your staff yesterday, we do a lot of work in RUPRI in Northern Ireland,

in the Republic, and they indeed have a national, a stated international policy goal in E.U. called "subsidiarity," which is exactly the principles upon which you are operating there in areas of very high conflict, and that is lowering the resources to the most appropriate level for the decision, creating quantifiable outcome measures, assuring the community and the private sector involved. And I think we would benefit greatly in our policy culture to learn a bit about how other rural areas around the world are coping with these great challenges. The very same principles you are articulating there is what "subsidiarity" is about in Europe.

Senator CRAIG. Well, thank you for mentioning that. I would like to know more about that. We will work with you to pursue that.

Let me ask the next question in this manner: My guess is, you have all put your best foot forward. Put your worst foot forward. Where isn't it working, that you would like to see it work? Or, more importantly, why isn't it working in some areas like you would like to see it work? In all aspects of it, whether it is money, whether it is the way it is structured.

Mayor GRAHAM. I could tell you my opinion in the State of Indiana.

Senator CRAIG. Yes.

Mayor GRAHAM. In the State of Indiana, and I think maybe even nationwide, I feel like we have failed when it comes to agriculture, and that is to the farmer or the rancher. I don't feel like that we have that involvement with those people nearly as strongly as we should have. They are not at the table with us.

We have made efforts to involve them but I don't think we have worked hard enough, especially in the State of Indiana. Even though in the State of Indiana we have the Deputy Commissioner of Agriculture sitting at our board, it is still very limited as to what we do.

In the crisis that we have in agriculture, they should be there and a lot heavier represented than what we have. I guess if we are making confessions, I would have to confess that I feel like we have let them down, and we need to work ever so much harder to make sure they are at the table with us.

Mr. HUDSON. I would like to speak to that as well, Mr. Chairman. Inclusiveness is an outstanding principle and it is certainly something that we embrace at the Idaho Rural Partnership. It is also a process. Not everyone comes to the table automatically. These are very complicated times and there are a lot of players in the realm.

We I think work hard at bringing new members to the table, representatives of diverse interests, and I think we have got some distance to go yet. If I can be specific, one of our—we have two key targets at this time in Idaho.

I am sure I will be spanked for saying this, being so specific. But the Idaho Transportation Department is a very important element of what we are trying to do. We have some members of the organization who are coming forward, but we don't feel that we have engaged them as systematically as we need to.

I personally believe, and I am speaking for myself now, that higher education is an extraordinarily important part of the process of partnering for rural America, and we are only getting for-

mally engaged now in bringing our great institutions in Idaho to the table to help us more. Now, it is very much a positive trend, but I would love to have started that earlier on. This is an evolutionary thing.

I think the other arena where we all would like to see more progress is in the area of handoff. As you have heard from I think each of us in our own way, we do not have large numbers of dollars for project implementation. We are more like pilot lights in many ways, in trying to engage a variety of partners in doing things, and sometimes in the handoff it is difficult to make sure that all goes well.

So we are spending a great deal of time in the arena of leadership training, facilitation, building common ground, mediation areas, helping communities to help themselves in the implementation area. I think we are making a lot of progress there, but it is something that is ongoing.

Mr. BLACK. Just a followup. On the State level it is a similar issue of outreach and perhaps getting deeper and contacting more people. On a larger scale, on a macro scale across the Nation we have heard there are 36 councils. Obviously there are some States that are not involved. It has been, I think what I have heard today, a very helpful tool in a lot of areas, and that would lead us to believe that it could be a tool in those other States as well.

From the Pennsylvania experience, granted it started towards the tail end of one administration in our State government, but the commitment had not been as deep with the first administration as it has been with the current administration. There has to be a working partnership at the State level in order for it to work. But I think to encourage that in other States might be a way that it could succeed. I don't want to call it a failure, but I think in services to rural people throughout the country, perhaps there are opportunities being missed.

Senator CRAIG. Anyone else in that general area?

Let me ask this. Tom had mentioned the engaging of our universities, our educational institutions. How many of you in your experiences are doing that or have done it on occasion or consistently? Colleen?

Ms. LANDKAMER. We have on our board the Humphrey Institute. There are three different types of educational institutions on our board, and they show up all the time. So, I mean, you know, you can have them on your board, they don't always show up, but they have consistently shown up and been real players. So I think that is key, I don't think there is any doubt about that, so we are real pleased with that.

Mayor GRAHAM. We have certainly done that in Indiana, also. We have had Purdue University and Indiana University and Ball State University all there at the table and participating with us.

Senator CRAIG. Under Secretary Long-Thompson voiced concern for lack of consistency in funding and a lack of a legislative foundation providing policy guidance and direction. Do you share her concerns on either or all of these points? Yes?

Mr. FLUHARTY. Mr. Chairman, let me perhaps start, because I am with the councils and the Partnership but not of. We work in a collaborative manner, but I am really not in a council or with the

Partnership. I would make a couple of general structural observations and then a couple of very personal programmatic observations.

I think the councils are uneven across space and circumstance, as they would want to be, since they are locally driven, adapting to local circumstance and in different frames of their life cycle, starting in 1992 to current. I think one of the perpetual challenges we have in rural policy in the United States is who is our champion, who is our lead congressional committee, how does the USDA mandate to do rural development, make that work in the ground, and how do we better link extension, outreach, and the multiple resources that could come to councils?

I think this partnership has come a long way in the last 24-months in moving that. I would just say, Mr. Chairman, this is a very different group of people than we had 2-years ago, and I would simply say look at the leadership and the diversity of rural America that is represented in this partnership. I think they will continue to grow.

I will be very candid. I believe this organization needs additional resources to fulfill their mission. I will be very candid about that. One of the challenges is, we must take rural to scale in this political arena, and I think this is an excellent organization to do that. They are underfunded to do that, Mr. Chairman, quite frankly.

Senator CRAIG. Policy structure? Or do you—you know, there is a question of flexibility and shaping to the situation or the environment.

Mr. FLUHARTY. Correct. Correct.

Senator CRAIG. And that comes probably by an absence of guidelines, specific, under law, or rule and regulation. And the other side of it is, in absence of that, sometimes you may not get what you want.

Mr. FLUHARTY. Correct. I will say one other thing. Then I would like to defer.

Senator CRAIG. Yes.

Mr. FLUHARTY. I think the accountability issue is very huge, and I also think the ability to create a seamless linkage that allows Federal decisionmakers and State decisionmakers, in a continuing decentralized governance structure, to understand what works in the dirt, is so very key. We aren't doing that well, Mr. Chairman, right now in our policy culture, and I think the councils are uniquely positioned to provide that. The reality is, what we are trying to do, between RUPRI, the Partnership and the councils, is build that throughput. I think we are starting.

I will simply say, what is the structure? I believe we need serious congressional action and continual interest in the rural policy agenda. Short of that, I don't think we will get it, and I would just commend you to stay on task here. I think we will see good things happen if you do.

Senator CRAIG. Mayor.

Mayor GRAHAM. I hope I am answering the question that you asked, but by just the virtue of the limited resources itself, we find ourselves really having to sit down and really looking as to how we can prioritize what we are able to work on.

Senator CRAIG. That is not a bad thing.

Mayor GRAHAM. No, but we find that——

Senator CRAIG. It is a limiting factor, yes.

Mayor GRAHAM. Yes, but we find that we are eliminating a lot of things that we should be working on, and they still should be priorities, but we haven't been able to do that. I think that there has been some value in that; that each State has chosen different priorities, and out of what these States have done has been a lot of successes that we can still copy off of, that in the State of Indiana this may not have been the top priority and this may not have been what we worked on, but we have taken successes from other States that chose that to be their priority and been able to replicate that in some part.

Senator CRAIG. Thank you. Anyone else wish to comment on that?

Tom?

Mr. HUDSON. Yes, Sir. I entirely agree with Mr. Fluharty's comments, and we embrace accountability. We seek it already today, and work very carefully to account for everything that we do, either philosophically or financially. Of course, we take great pains to handle our monies appropriately.

The key for us, I believe, is something akin to a framework, a policy framework that outlines the kinds of things that might be necessary for working closely with our Federal partners, but a framework that allows us the flexibility or the latitude at the local and the State level to address our unique needs. I don't see these things as mutually exclusive. I know that we have a framework already for our accountability that is excellent, and if we can refine that in ways that address additional Federal needs, I think that is a relatively straightforward process that should not limit our capacity to continue to be responding to our local issues.

Senator CRAIG. Great. Thank you. Anyone else?

[No response.]

Well, let me thank you all for your time and your willingness to come and participate. It is obvious to many of us who come from rural States, the conflict that rural communities find themselves in at the moment, and there is no quick fix, nor is there a rather positive light at the end of the tunnel at this moment. It is a matter of working our way out of a problem that is probably a transitional economy that in part will produce a new economy down the road.

It is also a real problem here as to how we deal with it, to create optimum flexibility so you can be ultimately as creative as possible at the local level, and still maintain the accountability that Congress has almost historically insisted upon, and in some part needs to. It is fascinating at this moment, Colleen, as we work on the final language of S. 1608, in trying to build a broad base of stakeholders to come together and look at a large package of concerns, and from that sort out where they can find consensus and then focus or direct their resources to that point of consensus.

That is where the Congress wants to go. In this instance the administration, or I should say the executive branch, or I should say the Agency, so that I can be relatively generic, is saying, "Oh, no, no, no, no, no. We like the idea of consensus. We like the idea of a lot of stakeholders being at the table. But we are going to tell you on what issues you can make your decision on."

Now, that is just about as helpful as a flat tire, because it already presupposes and preshapes the ultimate decisionmaking, and offers none of the kind of creativity that you all are experiencing based on the need. But of course in this instance we are dealing with an issue of environment, and there is a higher elevation of sensitivity to it.

I think you come to the arena when there is a consensus that a problem exists; there just isn't a consensus as to a solution. Here, some would argue there is no problem, at least on the thing we are currently working on; it is just a change in policy, and that is where the country wants to go, and the local communities will adjust accordingly in the process. They will simply fall out and reshape because the policy of America has changed, or of our country has changed.

So it is a little different, but not a lot. And it is always fascinating to me, as we try to do this, to watch how difficult it is for people to give up power or to cause it to be transitioned to a different level where maybe the better kind of choices or decisions are made.

Again, thank you all so very much for coming out today. There may be some additional questions that the Committee or its members will want to ask of you. And please don't sense the absence of members here today as a lack of interest. It is simply not the case. There are a good many of us struggling with this agricultural, rural economic issue at this moment. I say agriculture because my guess is, if agriculture were flourishing, some of our problems or some of your problems as you experience them would go away right rapidly. That is not the case today, and so we are trying to resolve that on a multifront basis.

Again, thank you, and the Committee will stand adjourned.

[Whereupon, at 4:31 p.m., the Committee was adjourned.]

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APPENDIX

March 8, 2000

OPENING STATEMENT OF SENATOR LARRY E. CRAIG

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

HEARING ON THE NATIONAL RURAL DEVELOPMENT PARTNERSHIP

MARCH 8, 2000

Good morning and welcome.

Thank you for coming here today to discuss the National Rural Development Partnership. Many of you are in Washington, DC this week for the NRDP's annual "National Rural Policy Conference," I am glad that we were able to coordinate this hearing with your annual meeting.

As many of you know, the National Rural Development Partnership (Partnership) was established under the Bush Administration in 1990, by Executive Order 12720. The Partnership is a nonpartisan interagency working group whose mission is to "contribute to the vitality of the Nation by strengthening the ability of all rural Americans to participate in determining their futures."

We are here today to learn more about the National Rural Development Partnership. We will hear from individuals representing federal, state, county, local, and tribal governments as well as the private sector about what has happened in the last decade since the Partnership's formation and where the Partnership is heading into the future. Through this hearing, the committee will learn how the Partnership works and what, if anything, needs to be done to improve it.

The rural and urban areas of our country face many of the same problems, but they suffer different impacts. I represent a rural state. Idaho's rural areas cover 88 percent of the state but are home to only 36 percent of the population. I regularly hear from individuals concerned with the condition of rural America and the impacts of federal decisions on rural America. For example, management decisions by the federal government on public lands directly impact livelihoods and daily activities of many rural Idahoans. However, the impacts of federal decisions on rural areas go far beyond those of the land managing agencies.

I support programs that bring communities together to develop solutions to their problems. I believe the Partnership can and does do this. However, I have heard concerns that not all Departments and Agencies participate in the Partnership and that financial support may be lacking.

With that in mind, I welcome the panels here today and look forward to hearing their testimony. I would like to remind the panels that their entire testimony will be submitted for the record and ask that they summarize their statements to no more than five minutes so we have time hear from everyone.

Statement on Vermont Council on Rural Development

National Rural Development Partnership Hearing, 3/8/00

Senator Patrick Leahy

In Vermont our State Rural Development Council has been a very effective organization. The Vermont Council on Rural Development (Vermont Council), was established in 1992 and has a broadly based statewide board of federal, state, local and private sector leaders. The Vermont Council has successfully helped the State and Federal Governments work in a more collaborative manner, and has assisted rural communities to determine their own futures and access State and Federal resources.

In their efforts to accomplish these laudable objectives, the Vermont Council has hosted four annual Rural Development Summits, which bring together State and Federal leaders to develop strategies to help rural Vermonters. The Vermont Council has hosted five Community Visits, which are daylong events that help rural citizens develop a common vision for their community's future. Following the Community Visit the Vermont Council helps communities access the appropriate State and Federal resources to address their challenges.

I am pleased to report that members of my staff have assisted in the work of the Vermont Council through service on the Vermont Council's Board of Directors and participation at the annual Rural Development Summits and Community Visits. This involvement has helped my staff keep watch on the pulse of rural issues in Vermont.

The Vermont Council has an excellent working relationship with USDA-Rural Development in Vermont. The Vermont Council not only participates in joint projects with USDA-Rural Development, but the Council offices are co-located at the USDA-RD State Offices in our state capital.

The Vermont Council on Rural Development has helped coordinate strategic planning of state and federal resources, resulting in a more efficient use of public resources. Simply put, the work and projects of the Vermont Council on Rural Development have resulted in a more coordinated and efficient delivery of state and federal resources to rural Vermont communities and an improved quality of life for rural Vermonters.

Testimony of Jill Long Thompson
Under Secretary for Rural Development
United States Department of Agriculture
before the
Senate Committee on Agriculture, Nutrition, and Forestry
Subcommittee on Forestry, Conservation, and Rural Revitalization
March 8, 2000

Mr. Chairman, Members of the Committee, thank you for inviting me to appear before the Committee today to discuss the National Rural Development Partnership and the State Rural Development Councils.

The National Rural Development Partnership began as an initiative of President Bush in 1990 through the issuance of Executive Order 12720. The U.S. Department of Agriculture was assigned the responsibility of creating the Partnership and providing assistance to individual States that wished to form State Rural Development Councils. The intent was to provide a forum at the national and state level of all public and private organizations to address local rural community and economic development problems and use resources more effectively in the resolution of those problems.

In 1990 eight states were selected to put the State Rural Development Council pilot project in place, Kansas, Maine, Mississippi, Oregon, South Carolina, South Dakota, Texas, and Washington. These Councils were composed of federal, state and local government representatives, tribal governments, and for profit and non-profit private organizations. The Councils structured themselves according to local needs. Today, there are 36 state rural development councils, and more states are considering establishing Councils. The state councils are supported at the national level by the National Rural Development Partnership which is composed of federal agencies and non-governmental organizations. USDA provides policy and administrative support.

Funding for the Councils has always been voluntary with USDA providing the majority of the funds. The Departments of Labor, Transportation, Veterans, and Health and Human Services have been consistent contributors and other Departments and agencies have contributed less frequently. The vast majority of the federal funds goes directly to the 36 State Councils and each state council is required to provide at least 25% of the total budget from non-federal sources. The non-federal share comes primarily from state governments, although, in some states, private sector funds are used for a portion of the required match.

Mr. Chairman, while the effort to improve the coordination of development activities in rural areas is definitely worthwhile, the lack of consistency in funding and the lack of legislative foundation providing policy guidance and direction has been problematic from the very beginning of this initiative. Everyone involved is required to spend far too much time securing funding and that effort dilutes the efforts to accomplish the original objective of improving the utilization of financial and other resources. Nevertheless, there have been successes. For example:

- The Illinois Rural Development Council in 1997 spearheaded the development of a statewide strategic plan for rural Illinois. The plan cuts across all sectors, including transportation, health care, education and housing and was developed through extensive citizen participation. Federal and State agencies are using the plan to implement their programs in rural areas.

- The Iowa Rural Development Council, including the USDA Rural Development Office in Iowa, the Economic Development Administration, and the Small Business Administration and others developed and are implementing a strategy to build home-based industries.

- The Nebraska Rural Development Council has focused on providing technical assistance for 12 cooperative projects, including the Nebraska Edible Bean Marketing Cooperative.

- Other councils have provided assistance to communities in establishing revolving loan funds for community and economic development, developing training programs for new elected municipal officials, and providing senior citizens computer training to enable them to enhance their incomes.

The original purpose of the Councils was to provide an environment through which differences in Federal, State and local statutes and regulations could be discussed and resolved so that those differences becoming impediments to development. Some Councils have been able to accomplish that on specific projects and others have been involved in assisting States and local governments develop specific projects like microenterprise lending funds. But, the key attribute is that the agendas are developed to meet diverse needs; they are not driven from Washington.

One of our Rural Development State Directors has stated "Our State Rural Development Council is the best vehicle I know for communication and coordination of efforts among the many government organizations who have responsibilities for improving conditions in rural areas." Heads of State cabinet departments and key Federal executives working within the state pool their resources to address issues such as funding for water and sewer projects, health and education programs, and rural telecommunications. The result is a more coordinated approach and more effective use of resources.

I am convinced the state Councils can make a real difference in rural America. However, we need to revisit the original approach to funding and participation at the Federal level, if we expect the Councils to carry out the original mandate of the Executive Order and if we expect to have Councils formed in each state. There has to be some legislative foundation and funding needs to be consistent.

Mr. Chairman, this concludes my remarks and I would be happy to address any questions you might have. Thank you again for the opportunity to appear before the Committee.

STATEMENT OF EUGENE A. CONTI, JR.,

ASSISTANT SECRETARY FOR TRANSPORTATION POLICY

BEFORE THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

CONCERNING THE NATIONAL RURAL DEVELOPMENT PARTNERSHIP

March 8, 2000

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you today to discuss the National Rural Development Partnership.

I. INTRODUCTION

As the Department of Transportation's Rural Coordinator, I have been aware of and involved with the National Rural Development Partnership since my appointment as Assistant Secretary for Transportation Policy. The Partnership provides DOT with a valuable channel for communication with a broad spectrum of local rural officials and activists who help shape and implement transportation programs related to community and economic development.

Rural America faces numerous transportation challenges. Residents of rural areas and small towns often suffer from isolation and reduced access to normal daily activities. Many experience substantial difficulties in getting to and from employment opportunities and related activities such as job training and education, childcare services, health care services and other basic needs. The NRDP brings together the organizations, state and local representatives, business interests and residents of rural areas and small communities to address these critical concerns.

The NRDP provides a flexible framework within which rural, local, state, federal, tribal and non-governmental interests identify common circumstances, challenges and opportunities. The Department of Transportation seeks such flexible collaboration in its program structures; thus, the work of the NRDP is consistent with and supportive of DOT programs and actions. The NRDP has also provided DOT with an important, and in many ways unique, conduit to economic and community perspectives in rural areas and small towns throughout the Nation.

At the last two NRDP national conferences I have had the opportunity to talk directly and frankly with rural stakeholders about DOT's Rural Initiative and our rural programs. I have found the NRDP to be an immensely valuable partner in DOT's fulfillment of its mission. Working with the NRDP has enabled DOT to more effectively address the needs of underserved rural populations by offering us access to economic and community perspectives in rural areas and small towns throughout the Nation. We used this rural link in the development of our surface transportation reauthorization proposal and will continue to use it as we carry out TEA-21 programs involving rural interests, including greater involvement of rural local officials in the statewide planning process. I am aware of no other mechanism by which the Department is able to tap into this perspective on such an immediate and recurring basis.

II. HISTORY

The Department of Transportation has been an active member of the National Rural Development Partnership since its inception. The Partnership began, via Executive Order #12720 in 1990. An interagency group of federal officials, including a DOT representative, and a private sector rural commission assembled to develop ways to use existing resources to improve and support economic and community development and to overcome problems in rural areas and small communities. An early key strategy was to invest federal funds in the creation of state rural development councils.

In 1990, eight councils were initially put in place as pilots: Kansas, Maine, Mississippi, Oregon, South Carolina, South Dakota, Texas, and Washington. These councils were composed of Federal, State, local and tribal governments as well as for-profit and non-profit private organizations involved in rural issues. This was intended to bring together parties that could access available public and private resources, and, by doing so, create an environment in which all of those resources could be used more effectively. The councils structured themselves according to local needs with individual strategic plans and operating styles.

Today, 36 State Rural Development Councils are operating, and more states are considering their establishment. Four states currently have teams in place to assist in the formation of new councils: Arizona, California, Georgia and Rhode Island. The councils have proven highly innovative and successful in providing a coordinating mechanism leading to the more effective use of resources -- both public and private.

The State Councils are connected into a national network, which includes the National Rural Development Council and the National Program Office. The National Rural Development Council, composed of federal agency and non-governmental organization representatives, provides support and coordination for the state councils at the federal level. The National Program Office, which provides budget, policy and administrative support to the State Councils, is housed in the Department of Agriculture. These connections have created an interstate network that quickly exchanges successful ideas among state councils.

III. THE DEPARTMENT'S RURAL TRANSPORTATION INITIATIVE

Secretary Rodney E. Slater announced the Department's Rural Transportation Initiative in May 1999. The Initiative is a comprehensive plan to help America's rural communities fully enjoy the benefits of the nation's growing economy and improvements in transportation safety and mobility. The Initiative builds on the Clinton-Gore Administration's leadership in improving the economies and transportation systems of rural areas and small communities. Transportation is a critical factor in reducing the isolation of rural areas and connecting them to markets across the nation and around the world. The Department of Transportation has long been actively working to bring a more effective and responsive level of transportation service to these rural communities. Through the Initiative, the profile of rural transportation problems has been, and will continue to be, elevated.

The National Rural Development Partnership collaborated with the Department on the formation of the Rural Transportation Initiative. The NRDP acted as a sounding board for policy and program ideas for the Initiative and helped disseminate the products of the Initiative, a brochure and program guide, to rural stakeholders.

In the words of Secretary Slater, "The Initiative is intended to be a dynamic activity evolving and adjusting to changing circumstances and conditions in rural areas and small communities." The NRDP provides the essential communication links to small and rural communities that enable DOT to be responsive to the transportation needs of rural America.

IV. IMPORTANCE TO U.S. DOT

The National Rural Development Partnership has provided important support to the Department of Transportation. As a result of the increased cross-program cooperation and collaboration generated by each Council, DOT focuses its limited program resources more effectively and provides services more efficiently. At the national level, state councils provide insights to DOT on the impacts of federal policies and programs at the local level. At the local and state level, the Department works closely with the NRDP through the State Rural Development Councils.

The Department of Transportation emphasizes greater involvement of rural local officials in the statewide planning process in TEA-21. The National Academy of Public Administration is currently conducting a study for the Federal Highway Administration on the state departments of transportation's local official consultation processes, which will provide input to Secretary Slater's report to Congress on June 9, 2000. The State Rural Development Councils can provide a direct means for facilitating these consultation processes. In Illinois, for example, the Rural Development Council's Transportation Committee completed a two-year statewide rural public transportation study that identifies barriers to more effective transportation services in rural Illinois. The Committee will meet with the Illinois DOT to review the report's recommendations and discuss implementation opportunities.

The Idaho Rural Partnership (IRP) has also supported the involvement of rural local officials in the statewide planning process. Dr. Dick Gardner, Executive Director of IRP, facilitated the Idaho Transportation Planning Task Force, which brought together the Idaho Department of Transportation, the Association of Idaho Cities, the Idaho Association of Counties, and the Idaho Association of Highway Districts to resolve differences concerning rural local transportation planning. The Task Force successfully developed a consultation process that balances the needs of all parties. The process includes a new mechanism for project prioritization by local officials, the provision of regional transportation planning bodies, and the recognition that local officials could use federal money for transportation planning.

Through collaboration with the Maine Rural Development Council, the FHWA Division office and Maine DOT have been able to greatly increase tribal involvement in their transportation planning. Prior to involvement with the Council, the Division office and the MDOT had very limited contact with the four federally recognized Indian Tribes living on five reservations in the state. In 1998, the MRDC organized an outreach effort in which FHWA division staff visited each reservation and spent significant time meeting with the tribal leaders and members. A Service Providers' Forum followed the outreach effort, at which State and Federal agencies presented programs available to the tribes to over fifty tribal representatives. The Forum resulted in several on going task forces addressing tribal issues, including the accuracy of the bridge inventory in Maine.

The Connecticut Rural Development Council (CRDC) has also been active on transportation issues, focusing intense effort on flexibility in road and bridge design. In 1996, the council co-sponsored a successful public forum, *Designing Roads and Bridges to Preserve Community Character*, which brought together speakers from the Connecticut DOT, FHWA, USDOT, local government, state and congressional representatives, historic preservationists and environmentalists. As a result of this forum's coalition, the Connecticut State Legislature passed a law in 1998 requiring the Connecticut DOT to develop alternative design guidelines and to consult with certain community groups, including CRDC. The forum also helped enhance USDOT partnerships in the state. CRDC has continued to promote and monitor alternative design guidelines through consultation with USDOT and FHWA, and to disseminate transportation information to rural communities and interest groups.

State Councils provide a technical capacity necessary to produce successful grant applications that would otherwise be unavailable in many rural communities. By coordinating resources, the councils enhance the ability of rural communities to successfully compete on an equal basis with many urban areas. As a result, the state councils help ensure that DOT programs are equally accessible to rural and urban areas. For example, the CRDC co-authored Connecticut's highly successful Transportation and Community and System Preservation pilot grant from FHWA and is currently working with its grant partners to address the connections between urban, suburban and rural areas through transportation and land use planning. The process will result in transportation and economic development approaches combined with neighborhood and open space

preservation in a coherent package. By virtue of its technical expertise, the CRDC is helping us learn about the impact of smart growth and livable communities initiatives in urban, suburban, and rural communities.

Tourism is a vital part of the nation's economy. The Department of Transportation is trying to improve coordination and cooperation between transportation and tourism practitioners at the Federal, State and local level, in both the public and private sector. DOT has worked with the U.S. Department of Agriculture, the Economic Development Administration, the National Park Service and the U.S. Department of the Interior to improve transportation services and alleviate congestion in National Parks and other rural tourist locations. The NRDP has been an important partner in this effort.

For instance, the Utah Rural Development Council (URDC) facilitated the public information gathering process for the National Park Service as they developed a draft management plan for Zion National Park and Zion National Canyon. They facilitated several forums on the plan and collected comments from the public and tourism operators. Scott Truman, the Executive Director of the URDC, serves as Vice Chair of the Southwestern Utah Planning Authorities Council (SUPAC), a collection of Federal, State and local government representatives. SUPAC provided the forum to enhance discussion on transportation needs for the Park, and worked with the National Park Service to develop a transportation hub and Visitors Center that will open in May 2000. A public shuttle bus transportation system, connected to the hub, will collect people at a parking area near the entrance to Zion National Park and take them to various stops within the Park. This transportation system will relieve air pollution, traffic congestion and preserve the true nature of the Park.

From flexible road design in Massachusetts to the needs of shortline railroads in Kansas, the State Rural Development Councils facilitate the advancement and enhancement of transportation issues at the local level. By providing access to a broad range of rural local officials and activists, the NRDP enables the DOT to carry out our programs and policies more effectively.

V. CONCLUSION

The Department of Transportation has been a strong and consistent supporter of the NRDP at the national and state levels. We believe that the NRDP is a valuable resource to DOT and to rural America, and we strongly support its continued role in bringing together partners from the public and private realms to help rural communities improve their quality of life.

This concludes my prepared statement, Mr. Chairman. I would be happy to answer questions you or other members of the Subcommittee may have.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administratio
Rockville MD 20857

National Rural Development Partnership

Statement Before the

Committee on Agriculture, Nutrition and Forestry

Subcommittee on Forestry, Conservation and Rural

Revitalization

Presented by Claude Earl Fox, M.D., M.P.H.

Administrator, Health Resources and Services Administration,

U.S. Department of Health Human Services

March 8, 2000

Good afternoon, Senator Craig. I want to thank you and the Committee for the opportunity to provide testimony on our experience with the National Rural Development Partnership. I currently serve as the Administrator for the Health Services and Resources Administration at the Department of Health and Human Services but I come by my interest and concern for rural America honestly. I was born in a rural hospital, grew up in a small rural town, and have worked in and with rural communities most of my life. During my time as the State Health Officer in Alabama, I chaired the Alabama Task Force on Rural Hospitals and was part of an important effort there to help champion the critical role these facilities play in their communities. Now, as Administrator of HRSA, I oversee an agency that puts a great deal of resources into rural communities through a variety of programs such as the Community and Migrant Health Center Program, the Maternal and Child Health Block Grant, the Rural Health Outreach Program, and the Area Health Education Center program, just to name a few.

As you know from your own home state, the challenges faced by rural communities are many. Resources are limited, poverty rates are high

and rural communities are notoriously susceptible to economic downturns when crop prices drop or natural disasters strike. Higher rates of rural poverty increase the importance of temporary financial assistance, child care subsidies, Head Start and other social services programs. The rural health care system is also quite fragile. Hospitals in rural areas are disproportionately dependent on Medicare and Medicaid reimbursements. Communities have a hard time attracting and retaining doctors and other health care providers. Rural hospitals and rural health care systems play a much larger role in their local communities than simply providing health care services.

They are often among the largest local employers and a bellwether of the economic health of a small town. Research shows that the health sector provides 10 to 15 percent of the jobs in many rural counties, and that if the secondary benefits of those jobs are included, the health care sector accounts for 15 to 20 percent of all jobs. On an individual employer basis, hospitals are often second only to school systems as the largest employer in rural counties. Studies on industrial and business location also conclude that schools and health services are the most important quality-of-life variables in these

decisions. A strong rural hospital can be a solid foundation for a strong small town with a diversified local economy and can serve as a magnet for other economic development. Conversely, a struggling rural hospital or the closure of a small rural hospital can often have the opposite impact on a small town through lost jobs and disincentives for businesses to locate and grow.

The Department has an ongoing commitment to rural America. The Office of Rural Health Policy, within my agency, was given the responsibility by Congress to advise the Secretary on rural health issues and policy. And I must say, that office has done a good job of highlighting the unique health needs and situations of rural communities and families. They're actively engaged in the regulatory process and work with HCFA to make sure Medicare and Medicaid policies are fair to rural communities. The Office also runs a variety of grant programs that help build, support and sustain the rural health care infrastructure.

That is just one part of the equation, though. The challenge comes in making sure we have a coordinated rural perspective, both within

HHS and across the Government. Enter the National Rural Development Partnership (NRDP), providing HHS with information and encouragement to broaden our perspective. Early in the process, the Department of Agriculture invited HHS to participate in this effort to bring together rural stakeholders. We began our work with USDA on the development of the Presidential Initiative in 1990 and began contributing financially to the effort in 1991. HHS currently contributes approximately $422,000 annually and considers this sum a sound investment in a resource that continues to pay dividends. HHS also provides active staff representation to the National Rural Development Council. In fact, the HHS representative to the Council, Dianne McSwain, has served as the chair of the National Council for the last two years.

Since 1991, our work with the Partnership has helped HHS build an increasingly effective internal "rural voice." By that I mean we try to understand and account for the impacts our decisions have on rural communities. This has been a detailed process of raising awareness among our programs and staff offices. An important milestone was the establishment of a Department-wide workgroup and getting that

workgroup recognized as a resource for rural input. I wish that I could say that the work is done, but we recognize that raising awareness and educating our colleagues is a continuous process.

Let me share with you several examples of our successes, using the NRDP resource:

- During the development of the review criteria for the state health care reform waivers, the Health Care Financing Administration worked with the HHS rural workgroup to identify appropriate questions on the impacts of these waiver proposals on rural populations. The HHS rural workgroup worked through the NRDP Healthcare Taskforce to identify issues and concerns and to translate that information into the question format that would be most helpful to HCFA. There is no question that this input resulted in a more effective review process, better service to the states applying for waivers and, eventually, a more responsive program response.
- When the Administration for Children and Families developed the Temporary Assistance for Needy Families regulations, the NRDP again worked with the HHS rural workgroup to provide ACF with

comments on the potential impact of the proposed TANF rules on rural families. As the TANF rules have been implemented, several State Rural Development Councils have been very involved in welfare reform efforts in the rural communities in their states. ACF and the Assistant Secretary for Planning and Evaluation have worked to be responsive to the unique challenges of welfare reform in rural communities by funding research which includes rural-specific components and be providing technical assistance targeting those serving rural recipients.

- The NRDP Healthcare Taskforce assisted HRSA and HCFA in the development of a rural perspective in the State Children's Health Insurance Program outreach strategies. This work included putting together a rural subcommittee for the White House SCHIP Taskforce and developing a rural chapter for the White House SCHIP Outreach report. The NRDP also worked with the 36 State Rural Development Councils to provide rural comment during the recent SCHIP regulation development process.
- Recently, the HHS rural workgroup sponsored a meeting on rural child care in conjunction with the NRDP Welfare Reform Taskforce. Subsequently the NRDP and the HHS Child Care

Bureau have forged an ongoing working relationship. For example, the Child Care Bureau devoted their most recent bi-annual Leadership Forum to issues of rural child care with Partnership members serving on the steering committee and as presenters. The Associate Commissioner of the Child Care Bureau has just participated in the NRDP National Policy Conference.

I could go on to list many more instances where the NRDP and the State Rural Development Councils have assisted HHS to do a better job. The Partnership is just that – a partnership of all levels of government and the private sector working together to ensure that our programs reach the people they are supposed to serve and do it as efficiently and effectively as possible. As a Federal administrator and a rural person, I am glad that the "rural voice" of the Partnership is available to my staff and myself.

"The New Rural America"
The Relationship Between Today's Rural Reality and the Potential for a More Integrative Rural Policy

Testimony before the
Subcommittee on Forestry, Conservation, and Rural Revitalization
Senate Committee on Agriculture

Oversight Hearing Regarding the
National Rural Development Partnership

March 8, 2000

Chuck Fluharty
Director
Rural Policy Research Institute
135 Mumford Hall
Columbia, MO 65211
(573) 882-0316
Fax: [573] 884=5310
<http://www.rupri.org>

Chairman Craig, and distinguished Members of this Subcommittee, I appreciate this opportunity to create a background context to support this overview hearing regarding the National Rural Development Partnership.

First of all, I would like to commend you for your ongoing commitment to assuring the unique opportunities and challenges within rural America are more fully appreciated as public policies are discussed, designed, and implemented. The importance of this Subcommittee, with its unique statutory responsibility for Rural Development, cannot be overstated, if we are to craft an integrative, community-based rural policy for our nation. We deeply appreciate your continuing commitment to assure all rural Americans, regardless of place or circumstance, have equal access to our country's tremendous promise.

I have been asked to provide a background overview regarding today's current rural reality. In so doing, I hope to create a contextual understanding of the very significant social, economic, demographic, and institutional changes occurring within rural America. Understanding these realities is absolutely essential to crafting more integrative public, private, and philanthropic initiatives, if we are to optimize rural America's unique strengths and address her continuing challenges.

Today's Rural Realities

1. **While agriculture remains a key component of many rural economies, "rural" is much more than agriculture; and the future success of our nation's family farms are critically linked to the economies of rural communities around which they are located.**

   - Only 6.3% of rural Americans live on farms; and
   - 50% of these farm families have significant off-farm income.
   - Farming accounts for only 7.6% of rural employment; and 90% of rural workers have non-farm jobs.
   - Only 1.78% of our nation's rural population is engaged in farming as a primary occupation.

2. **The rural economy has strengthened and is growing, but remains fragile and uneven.**

   - Over 2 million more rural Americans are employed today than when the 1990's began.
   - Rural earnings, after a decade of decline, are rising at rates similar to urban, as is per capita income.
   - Rural unemployment continues to decline, to its lowest levels since the 1990 recession.

   However, rural employment continues to be dominated by low wage industries:

   - In 1996, 23% of rural workers were employed in the service sector
   - Rural workers are nearly twice as likely to earn minimum wage as are their urban counterparts. (12% rural, 7% urban)
   - Most importantly, rural workers are more likely to be underemployed, and less likely

to improve their employment circumstances over time. (40% less likely to move out of an entry-level or low wage job than are central city residents.)

Therefore,

- Rural incomes remain significantly lower than urban. (1997 median: 30K+ Rural, 39K+ Urban)
- Rural poor families are more likely to be employed and still poor. (In 1995, 60% of rural poor families had one member working at some time during the year. 24% of these families had a full time worker.)

Between 1990 and 1996, rural America gained 2,756,000 jobs, an increase of 11.3%. However, there was negligible improvement in rural job earnings.

3. **While the economy of rural America, in general, has improved, persistent pockets of intractable rural poverty remain.**

- In general, poverty rates are higher in rural than in urban areas. (15.9% rural vs. 12.6% urban, 1997.)
- Rural poverty is working poverty. Nearly two-thirds of the rural poor live in a family with at least one member working.
- Child poverty is higher in rural areas. (22.7% rural vs. 19.2% urban, 1997.)
- Over half of rural children in female-headed households are in poverty. (3.2 million rural children, 1996.)

These challenges are particularly daunting in our nation's 600 persistent poverty counties. (These represent 23% of all rural counties, in which the poverty rate has remained above 20% in each decade from 1960 to 1990.)

- These pockets are located in the rural South, core Appalachia, the lower Rio Grande Valley, and on American Indian reservations.

4. **The 1990's rural population shifts are fascinating and significant, with major implications for rural public policy.**

- During the 1990's, a significant rural population rebound occurred, totally reversing the rural outmigration of the 1980's, in general.
- Three-fourths of our country's 2,350 rural counties grew in population between 1990 and 1997.
- However, this growth is concentrated in only four out of ten counties. (Counties with concentrated growth were primarily those near metropolitan areas, scenic amenities, or regional commerce hubs, and in suburbanized rural counties, such as those in the intermountain West. Those counties which lagged in population were primarily the traditional rural natural resource / extraction industry based areas.)
- As is obvious from the above, significant rural population decline continues in the Great Plains.
- Seven-eighths of these growing counties derived some or all of their population

increase from in-migration of metropolitan residents. Of the rural population increase of 800,000 between 1995 and 1997, 400,000 came from metropolitan areas, and 100,000 came from immigration.

- Due to these shifts, many growth counties are experiencing unique new diversity in ethnic, racial, and cultural composition, with attendant challenges and conflicts.
- Finally, in stark contrast to the 1980's, in general, the proportion of elderly in the rural population is declining. (The non-metropolitan population under 65 grew faster, at 6.0% than did the population over 65, at 5.5%)

5. **Next, the relationship between federal, state, and local governments, and government revenue streams, has a major impact on rural communities.**

- 2,350 of our nation's 3,041 counties are rural. (These rural areas account for 76% of all counties, 83% of our nation's land, and nearly 25% of our nation's population.)
- As we continue to streamline and decentralize government, rural economies, which have been significantly dependent upon federal government transfer payments, will continue to face unique challenges. (20% of total personal income in rural America comes from federal transfers to rural citizens.)

This reinforces the critical importance of rural governance and community-based policies.

- 75% of all counties are rural:
  - Nearly three-quarters of these counties have a population under 50,000.
  - Nearly one-quarter of these counties have populations under 10,000.
- These realities create unique challenges in assuring locally-based governance:
  - In 1990, 67% of the 39,500 U.S. governmental units had populations under 2,500.
  - In 1990, 48.6% of the 39,500 U.S. governmental units had populations less than 1,000.

6. **Rural America continues to face multiple challenges in assuring the health, education, and workforce preparation of its citizens:**

Education:

- Rural areas continue to produce high school graduation that match or exceed urban areas, and rural drop out rates have fallen sharply in recent years, significantly closing a prior gap. However, persistent challenges remain:
  - Rural America's most important export continues to be its best and its brightest young men and women – rural outmigration is largely our youngest and most highly educated.
  - Therefore, fewer young adults in rural areas seek post-secondary education or have college degrees; and more have not completed high school. (23.5% rural vs. 17.4% urban, 1997.)

Health:

- Rural residents continue to have poorer health care access, less health insurance coverage, and little or no managed care availability. (22 million rural residents, slightly less than half the rural population, live in federally-designated Health Professions Shortages Areas or Medically Underserved Areas.)

Welfare:

- 21% of our nation's welfare population live in rural areas. (In 15 states, 50% or more of the welfare population lives in rural areas.)

One example, among many:

The public mythology surrounding rural America is evident in many of these trends. As with so many other social indicators, there is great similarity between rural and central city areas in degree of challenge. Drug and substance abuse is one glaring example.

In 1999:

- Rural eighth graders were 32% more likely to have used marijuana in the past month than those in large metro areas.
- Rural eighth graders were 52% more likely to have used cocaine in the past year than those in large metro areas.
- Rural eighth graders were 75% more likely to have used crack cocaine in the past year than those in large metro areas.
- Rural eighth graders were 104% more likely to have used amphetamines, including methamphetamines, in the past month than those in large metro areas.
- Rural eighth graders were 29% more likely to have used alcohol in the past month than those in large metro areas.
- Rural eighth graders were twice as likely to have smoked cigarettes in the past month than those in large metro areas.

7. **Despite indications in the early 1990's that rural America's citizens and businesses were effectively exploiting information technologies, it is now quite clear that a significant and growing "Digital Divide" exists between America's metropolitan and rural areas. This is now evidenced across all sectors in the rural community, from household usage through educational utilization and business applications.**

Summary

1. The "New Rural" is much more than agriculture. While agriculture remains a critical component of many rural economies, and the Farm Gate and Main Street are more closely linked than ever, new economic engines must be found if we are to create and sustain a broad-based rural renaissance.

2. While the rural economy, in general, is stronger, it remains fragile and very uneven. The current challenge in the agricultural economy is but one of several examples. Rural

communities must close the growing digital divide, entice new venture and equity capital, and support rural entrepreneurs and new, environmentally appropriate, business opportunities.

3. Poverty remains an intractable challenge in many rural areas. This rural poverty is working poverty, which points to the challenges in overcoming these human and social capital challenges with welfare or workforce programs.

4. "Rural" is "younger," less "homogenous," a more attractive lifestyle choice, and more diverse than it has ever been.

5. Rural America has three-quarters of our governmental jurisdictions, and is much more heavily affected by federal transfer shifts than urban America. Assuring adequate resources and technical support to sustain an emergent rural "new governance" milieu is particularly critical.

6. Rural America continues to educate and export our best young people. Health care quality, finance, and delivery remain huge challenges. Welfare and workforce development programs are critical to assuring viable rural communities.

7. Despite early successes, rural America is now suffering from a growing "digital divide."

Mr. Chairman, in closing I want to again commend you and the Members of this Subcommittee for your continuing efforts to craft a more integrative, common sense rural policy framework for our nation. I hope this overview was helpful in pointing out the tremendous diversity of the "space between the suburbs," and the obvious necessity for crafting grassroots, place-based, community policy programs as a central component of an emergent national rural policy.

Senate Subcommittee on Forestry,
Conservation and Rural Revitalization

March 8, 2000
Washington, DC

Mr. Bill Graham
Mayor, City of Scottsburg, Indiana
Chair, Indiana Rural Development Council
Executive Committee Chair, National Rural Development Partnership

Good afternoon. Thank you, Mr. Chairman and members of the committee. I am Bill Graham, and I'm here today wearing several hats: I am the Mayor of the City of Scottsburg, Indiana, a community of 6,300 people; I am Chairman of the Indiana Rural Development Council; and I am Chair of the Executive Committee of the National Rural Development Partnership. I want to give you an overview of how the work of the Partnership supports the Indiana Council, and how these organizations benefit communities like Scottsburg.

National Partnership Provides Foundation for Success

The National Rural Development Partnership (NRDP) is a wonderful organization for our state and for my community. It has the unique ability to connect the efforts of federal agencies by coordinating resources. All of these agencies have programs that benefit the quality of life in rural America. The work of the NRDP is exceptional, however, because no other structure exists to provide coordination of these services to the state and local levels.

Along with federal agencies, the partnership brings in representatives of state, local and tribal governments, as well as the private sector. All partners come to the table as equals, and participate in decision making. We are also equals in doing the work and in celebrating or successes. We are not about taking credit, but instead we work together for mutual benefits for all. The NRDP does not advocate for new programs or bigger government. Instead, we focus on building bridges using this foundation to make better rural communities across this country.

The Partnership provides a forum that allows us to network with our counterparts from around the country. This network results in sharing the experiences and good examples that take place in each member state. Being a member of the partnership provides a license to steal these good ideas and practices. I have taken many ideas home from national and state meetings, and put them to use to make my community a better place.

As you heard from earlier testimony, five federal agencies make financial contributions to the partnership. These resources provide a start for our activities, but the job is not finished. The national partnership should have representation from all 50 states, not just the 36 active councils. Limited resources minimize our effectiveness. And we need full federal participation from all agencies providing services in rural areas.

Our communities and states look to the national partnership for leadership through tough issues. It is important that we continue to provide these services for the betterment of our rural areas.

Back Home Again in Indiana

Before I describe the partnership's effects in my home state, let me give you some background information on rural Indiana. Thirty-five percent (35%) of our 5.8 million residents live in rural areas. About two-thirds of Indiana's 92 counties are considered rural. When you look at per capita incomes, as a state, Indiana's incomes are lower than the national per capita income. But this disparity is greater in our rural areas: Urban Indiana's per capita income is about 94% of the US average, while Indiana's rural income was less than 82% of the US average.

The **Indiana Rural Development Council** is the only statewide entity working exclusively to alleviate the disparities in rural Indiana. The concept of this Council is based on partnerships. The IRDC is a partnership of local, state, federal, profit and not-for-profit stakeholders that support Indiana communities. IRDC's purpose is to coordinate the efforts of citizens and governments to meet the economic and social needs of rural Indiana.

The Council does not operate as a state agency, nor are we a federal agency. Our Council operates at the discretion of the leadership of our governing board, which is comprised of 28 representatives from each of the 5 sectors. We also add state legislative appointments and we've recently added representatives from our US Senators and Congressional offices.

The Council is not a funding source for communities. We operate on $87,000 a year, which comes from the US Dept. of Agriculture. In order to obtain this money, the state matches at least 25% of the federal dollars, and in the past this has been met through in-kind contributions from the Commissioner of Agriculture's budget, and through participation from our partners on our Council activities.

Current Tools and Program:

The work of the Council is done through task forces. Some of the works of these task forces include:

- The **Environmental Infrastructure Working Group** has been very successful in helping communities identify potential funding sources for water and wastewater projects. We bring together representatives of various state and federal agencies and they meet with communities one on one to discuss all funding options for their projects at one time. This optimizes the efforts of both the communities and the agencies. Last year this group assisted 36 communities from throughout the state.

- **We also have a Housing Task Force.** In 1999, this group developed a structure similar to the environmental group that assists communities in researching all of their housing assistance options. Known as IHART, the Indiana Housing Assistance Review Team will help applicants identify partners who can assist in providing affordable, safe and sanitary housing.

- **The Community Visitation Program** has assisted six communities, and we plan to visit 5 more in 2000. The Community Visits allow a team of resource providers to listen to elected officials as well as community residents to allow key problem areas and resource needs to surface in an informal, open setting. Rural communities, although they may be about the same size, differ greatly when it comes to needs. We provided a handbook to the elected officials reporting not only what we heard throughout the visit, but also listed the resources available to them if they wish to initiate action on any of these issues.

- Working in coordination with the state's Human Resource Investment Council, or **Rural Communities at Work task force** is developing a working model that rural officials can use to

help them determine their needs regarding welfare and workforce issues. The model will include auxiliary components of working families such as childcare, transportation, housing and health care. After the model is tested and modified, this tool will be rolled out to local decision makers for implementation throughout the state.

- Representatives of the Council meet regularly to discuss the issues and programs affecting our state. These open communication channels alone justify my involvement. **Statewide networks** allow local officials to meet all players and resources throughout the partnerships. On our own, we have no way to gain all of this information in one setting or without missing some elements.

Many more of the successes of the IRDC can be found in our 1999 Annual Report, which is submitted to federal, state and local officials across Indiana to educate them about the work of the Council and the effectiveness of this collaboration.

But as in many states, there are additional needs not being addressed in rural Indiana. Not all rural communities have affordable and reliable access to telecommunication networks. Rural incomes still lag behind urban incomes. Job creation and retention is hampered because of infrastructure deficiencies. Community planning efforts in many rural areas are not inclusive of land use issues. With additional resources, the Indiana Rural Development Council could work towards addressing these needs.

Life as a Local Mayor

Each rural community elects its mayor, town council and clerk-treasurer to make decisions on their behalf. And as local leaders, we must be committed to our communities, because everyday we see how our local residents are affected by the decisions we make. I need to justify my commitment to the national and state partners to my local constituents.

The City of Scottsburg is not much different from other rural communities in southern Indiana. The issues I have to address vary from week to week, and I never know what to expect. To prove this point, I brought along the most recent edition of the "The Giveaway", our local weekly newspaper:

- Page 1: Workforce Center is designated as "One-Stop Center" for support services in Scott County;
- Page 5: Domestic situation results in shooting at local school and liquor store – 2 dead;
- Page 9: Purdue Extension service offers stress management workshop for farmers and rural residents.
- Special insert: "2000 Basketball Mania Preview. (Well, it is Indiana!)

There is no educational degree or training I can get to prepare me for dealing with these issues. No state or federal government agency can provide all of the services we need to assist our communities with all these things. To be effective, local leaders need to network to find the proper resources to assist them. The national partnership, through the work of the state councils, provides this non-partisan forum to interface with different sectors to help us find solutions to our problems. This is critical to our small towns.

One of the most pressing issues that I've faced in Scottsburg has been workforce development and training. Local industries wanted to grow, but were unable to find workers to meet their needs. At the

same time, many available workers were unemployed because of a lack of skills training. Our solution has been the Scott County Partnership, which brings together private industry, education and public service providers to find local solutions to these issues. My experience with national and state partnerships, and their methods of finding innovate solutions, served as a perfect model for this local success story.

Another project we have embarked upon is still in progress, but has the potential to serve as a model for other communities. Through our state network, we identified a community in northern Indiana that is facing similar issues and opportunities as those in Scottsburg. We entered into a "Sister City" relationship with this community, and the early results are exciting! The arrangement calls for community leaders and personnel from Scottsburg to meet with their counterparts in the other community. By sharing problems, solutions and concerns, both communities are looking forward to overall benefits that our rural residents will appreciate for years to come.

Conclusion

All community development, and most economic development, happens locally. The National Rural Development Partnership and the Indiana Rural Development Council have provided tools to enable me to make decisions that help my community. They are proven models of effective government because they capitalize on the synergy of collaboration to get things done in my community, and across rural America. I thank you for your time and attention.

IDAHO RURAL PARTNERSHIP
317 W. Main Street, Boise, Idaho 83735 (208) 334-6113 FAX (208) 334-6118 In State: (800) 334-3195

Chair: Tom Hudson
Vice Chair: Gary Gillespie
Executive Director: Richard L. Gardner

Testimony of Tom Hudson

President of Tom Hudson Company and Chair, Idaho Rural Partnership, to:
Oversight Hearing on the National Rural Development Partnership
Subcommittee on Forestry, Conservation, and Rural Revitalization
Senate Committee on Agriculture
March 8, 2000
Washington, DC

Chairman Craig, Honorable Subcommittee members, fellow rural Americans, Idaho is one of the most rural states in the country. We in Idaho have long tried to demonstrate leadership in the ways we have addressed our sparse population and tremendous geography. Our senior Senator's willingness to hold this hearing to examine a small, but innovative, program on rural development is tangible evidence of Idaho's leadership in this arena. Senator Craig, on behalf of rural Idaho and the Idaho Rural Partnership, I thank you for this opportunity.

I am the Chair of the Idaho Rural Partnership and the principle of Tom Hudson Company, a consulting firm devoted to rural economic development and planning. I have been in this field for twenty-one years. I also am a fifth generation Idahoan. Two generations before me were farmers, one a merchant and one career military.

I share this background with you to emphasize that rural development is not just my vocation. It is my heritage and my mission in life.

In the precious time that I have with you, I would like to emphasize three key points:

1. American rural communities and lifestyles are in peril.
2. A strategic public-private partnership is needed to restore and sustain a stable rural economy.
3. State and National Rural Development Partnerships are by far the most effective means for guiding this effort.

I will talk briefly about our approach to working on rural issues, outline a little of the quality and breadth of our accomplishments, then speak to the issues that remain before us in Idaho, and the ways the Partnership might be strengthened.

As someone from the private sector and a bona fide capitalist, I have developed my commitment to these formal partnerships after careful consideration of their effectiveness, efficiency and collaborative processes. I choose to volunteer my time with IRP. Six years ago, I began participating in Idaho Rural Partnership activities primarily out of curiosity.

How could this unusual organization be so on target with its programming? I found nearly immediately that IRP was not unusual in our state. It was, in fact, unique. Here were business people, industry representatives, community organizations, government staff and elected officials from all levels of government working together as a team on rural issues. They knew each other on a first name basis. They emphasized collaboration, communication and cooperation. They built interdisciplinary and inter-sector teams to address both challenges and opportunities.

Most importantly, they built understanding and success. I would like to share some of these successes - and our ongoing challenges - with you. As you hear these, you will appreciate why I and about two hundred other community leaders in our state have come to embrace the Idaho Rural Partnership not just as an organization but as the ideal means for supporting and guiding rural development.

Please understand that in the intermountain west, our rural economies are intimately linked to our natural resource base. Agriculture, ranching, timber and mining all depend upon two things: reliable access to the resource; stable markets. Both of these fundamentals can be heavily influenced by government action. In our region, this has certainly been the case.

As a result, it is especially important that national leaders ensure our federal agencies are informed and act strategically. "Strategic" action must include interdepartmental cooperation, programming driven by explicit missions, systems that reflect economic rationality, and decision-making that engages rural communities. In a word, we need partnerships.

The Idaho Rural Partnership operates from the principle that the residents of a community are those best qualified to determine what constitutes progress in that place. Moreover, the responsibility for that progress ultimately rests with those local people. It follows that the best roles for state and federal agencies are:

a) to inform and educate people about options that could address a particular issue so that they can make better decisions and take action on those decisions,
b) to offer ways for people and organizations to increase their capacity for working together and making group decisions, and
c) to linking rural people with the programs and resources that can help them realize their dreams of progress.

As you will see, Mr. Chairman, the activities of the Idaho Rural Partnership fall into one of these three roles, plus one other. In the current fragmented world of federal and state rural agencies, programs, and authorities, problems tend to be viewed through narrow lenses, and a lot falls through the cracks. IRP tries to catalyze public and private partners to work together in ways that would not otherwise happen and to fill gaps in rural service. In the process, we learn to think more systemically and to look at the whole community, instead of pieces and parts.

IRP believes in the value of diverse opinions and the value of working as a group. Our Board of Directors alone numbers 25 experienced leaders from all walks of life, parts of the state, and levels of government. While collaboration takes time and a new set of skills, we also find it leads to more creative and durable solutions that not only satisfy, but empower and energize large numbers of people.

IRP ACCOMPLISHMENTS

Helping Government Serve Rural Customers

1. Idaho Community Mandates Pilot Project - This in-depth case study looked at the financial and administrative capacity of four rural communities. It helped inform then-Senator Kempthorne's mandates legislation. An IRP Board member chaired EPA's Small town Task Force. The process we developed for community residents to assess their community investment needs and to prioritize mandates with other capital expenditures was adopted as national policy by EPA to allow enforcement flexibility for small communities. This project won a Hammer Award for reinventing government.

2. Idaho OnePlan Project - IRP has facilitated a group led by EPA, the Idaho Soil conservation Commission, NRCS, and Extension to consolidate all ag conservation planning requirements into a single, web-based, planning process. This five year public/private collaboration was selected as one of 25 USDA Business Process Re-engineering projects nationally. With Internet use by Idaho farmers and ranchers growing rapidly, this web site receives over 400 hits weekly.

3. Business Solutions Home Page - Here the Idaho Small Business Development Center is leading a state and federal team in the development of a similar portal web site to answer small business questions about regulation and development finance.

Inform and Educate

4. Profile of Rural Idaho – This publication analyzes the disparities between rural and more urban parts of Idaho at both statewide and county levels. It's been copied by other states, and is in its third edition in Idaho.

5. Idaho Partners for Homebuyer Education - Homebuyer education increases success rates for first-time homebuyers, and qualifies them for lower closing costs, but has not been widely available in rural areas of Idaho. A broad group of public and private stakeholders met over a dozen times to create a model program and form a non-profit organization to deliver it statewide. HUD money is matched by private contributions to offer the training via seven regional partners and many volunteer industry experts.

6. *Opening Windows* - Theater can be a powerful tool to address controversial issues in a value-neutral way. This play illustrated the negative consequences of destructive teen

choices and was followed by a facilitated audience discussion. It was based on interviews conducted in seven rural Idaho communities. Opening Windows toured for three years in rural Idaho and has played in several other states before more than 30,000 parents and youth.

7. *WEED!* - The Public Lands Theater Project used the same technique to develop a play that shows a natural resource conflict from the view of land users, environmentalists, public land managers, and community leaders. It communicates the adverse consequences that resource-dependent communities experience from these conflicts.

IRP also has a history of sponsoring educational opportunities on key rural issues, including:

8. Land Use Protection Policy Workshops
9. Rural Workforce 2000
10. Connect Idaho: Attracting High-Speed Telecommunications
11. SmallWood '98

Increase Rural Capacity

Bottoms-up community development relies on strong local leaders and organizations. IRP identified capacity-building as one of its first priorities. Several different training products are offered each year in rural locations, using a variety of public and private sector instructors:

12. Community Leader Forums - Local elected officials and volunteer rural leaders choose from a variety of interactive training classes. Seventeen forums have been offered across the state since 1994 in groups ranging from 25 to 150.
13. Building Common Ground workshops - This two-day workshop on communication and conflict resolution has been offered on demand in ten locations across Idaho.
14. Facilitator Roundtables - Here beginning and experienced facilitators trade tips and lessons in group skills.
15. Community Peer Exchanges - This program offers small travel stipends to communities working on a problem who wish to learn from another community who solved it.

There are other kinds of rural capacity to be increased as well:

16. Telecommunications Awareness Workshops - In 1994, we held workshops in three dozen communities before a variety of audiences, talking about the potential of the Internet. After funding several other states to do the same, US West conceived the idea of a traveling portable computer lab with instructors to train in the rural West, called the WOW van.
17. Internet Masters - Several Western states worked together to train community volunteers to answer local questions about the Internet and computers.

18. Intermountain Woodnet - An unrelated project has tried to build cooperation among small, value-added firms working in the secondary wood products industry.

19. Local Transportation Planning - IRP facilitated a dispute between local and state transportation officials. The resulting consensus strengthened local planning efforts and gave local officials a greater say in the allocation of funds for local projects.

Linking Rural People To Resources

20. *Small Business and Community Development Resource Directory* – IRP has published three of these invaluable reference works that offer capsule program summaries and contact information for private, local, tribal, state, and federal rural development players. The current version is also available on the Web in two different electronic formats.
21. *Directory of Idaho Facilitators* – Effective collaboration requires neutral group process facilitators. This publication lists 125 private and public sector facilitators available for community or agency facilitations.

Note that these projects are all creatively financed using agency and private sector contributions, many of which are in-kind. Both the Idaho and National partnerships are not about massive new spending programs. Rather we are about making existing programs more effective by working together. We are about pooling meager resources to make an impact. We are about doing something with nothing. We are about being more savvy at helping rural areas get their share of federal, state, and philanthropic help.

We are not about getting credit; we are about getting the job done. Most of these projects use another agency as the lead. They all rely on a set of partners acting in good faith to achieve a shared goal. There is a story about collaboration behind each of these projects. The lessons Idaho and our sister councils have learned about collaboration represent an important body of knowledge on an increasingly important way of doing business.

In a sense, the state rural development councils are like a modest investment in glue to hold a diverse set of institutions together. If done right, the glue on a project becomes transparent and the pieces hold together as a whole. Just because you can't see the glue, that doesn't mean it is not doing its job.

THE JOB IS NOT DONE

And the job of the Idaho Rural Partnership is not done. The economic health of Idaho communities varies widely today. Some amenity-rich places are growing so rapidly, they struggle to maintain infrastructure systems and preserve prime farmland. Other resource-dependent communities are fighting to remain viable at all. Half the sawmills that existed in 1990 are now closed, and we are even finding there are limits to recreation carrying capacity. We are not well prepared to help with the economic emergencies that have become all too frequent. These towns need assistance finding a path to sustainability that works for them.

The answers seem to lie in areas like improved telecommunications service, computer literacy, workforce training, rural transportation, day care, housing, health care, entrepreneurship, and economic diversification. In all these, partnerships will play a major role in finding solutions.

Nor is the job of the National Rural Development Partnership by any means done. To be more effective, we need to increase this experiment in collaboration to scale. That means funding councils in all fifty states. It also means funding councils at a level where they can actively manage a larger number of partnership projects. One full-time staff member is not enough to cover the range of potential rural issues where partnerships can add value. We find that each rural issue, be it agriculture, health care, housing, or workforce development, has its own set of programs, jargon, and existing players. Councils must be able to climb many learning curves simultaneously, with enough agility to recognize potential synergies.

The reason I am excited about this hearing is that I believe that one important partner has not been invited to participate in the first ten years of the National Rural Development Partnership—namely the US Congress. You have the ability to recognize collaboration as the most effective way to get progress accomplished on the ground, and the National Rural Development Partnership as an effective way to collaborate. You have the ability to allow federal field staff to participate fully in the state councils. You have the ability to encourage more federal agencies to participate financially, perhaps by allowing program taps or contributions to our non-profit arm, Partners for Rural America. You have the ability to build bridges across the vertical stovepipes of federal funding streams. You have the ability to entrust local communities with a greater role in crafting locally appropriate management decisions.

We, the Idaho Rural Partnership, urge you to build upon the outstanding job attained by the National Rural Development Partnership. Help us engage our federal partners strategically and systematically in our mission to sustain your rural economies and communities.

We in Idaho look forward to continuing the dialogue with Congress on rural America that has begun today. Thank you very much for this beginning.

Testimony before the Subcommittee on Forestry, Conservation and Rural Revitalization
of the Committee on Agriculture, Nutrition, and Forestry

Cornelius P. Grant, Executive Director
North Dakota Rural Development Council

On behalf of the North Dakota Rural Development Council, and our fellow State Rural Development Councils in 35 States located across rural America, I initially wish to express appreciation to this distinguised Committee for affording the opportunity to discuss the common bounds of Organization, then describe several relationships unique to North Dakota.

The National Rural Development Partnership is a network of established and emerging rural institutions that work together to strengthen rural America. Each of the State Councils is comprised of active, volunteer members from a broad range of rural development organizations, which are served by a full-time executive director. States may differ in how they are organized and, in the rural issues they decide to address.

The North Dakota Rural Development Council is governed by an 18 member Board of Directors, five derived from the private sector, including the chairman are appointed by the Governor of the State. Other Board members are elected by their peers to represent Community/Local Government, Major Communities, Tribal Government, and State and Federal Agencies. In addition, the State Director of the USDA-Rural Development serves in a liaison capacity. The full Board meets on a quarterly basis, and the five-member executive Committee meets every six-eight weeks and at the discretion of the Board of Directors' Chairman. One or more of the Board meetings are held in field locations, in regional centers or on one of the States' Four Indian Reservations.

I am an enrolled member of the Turtle Mountain Band of Chippewa Indians and was born and reared on the Turtle Mountain Indian Reservation, located in northcentral North Dakota. I retired from 35 years of Federal civil service in 1996, having served twelve years with the Bureau of Indian Affairs, primarily in education and administration, and, twenty three years as the State Representative for the U.S. Department of Commerce, Economic Development Administration.

It is my understanding that I am one of two Native Americans presently serving as Council Executive Directors, the other being Chuck Akers from Alaska. Also, we have at least one Board of Directors Chairman in Quentin Fairbanks of the Minnesota Rural Partners.

In North Dakota, in addition to myself as the executive director, we have three other Native Americans on the Board of Directors. Governor's appointee, Jim Laducer represents the private sector, Austin Gillette, Tribal Councilman for the Three Affiliated Tribes of the Fort Berthold Indian Reservation represents elected Tribal leadership, and, Larry Bodin is a Standing Rock Sioux, and presently serves in the important role as their Bureau of Indian Affairs Agency Superintendent. I mention these factors to underscore the inclusive intent of the State Rural Development Council concept, and, as one of the stated goals of the North Dakota Rural Development Council to forge new and proactive partnerships with the Tribal governments.

Over the years, there were scheduled statewide, regional, and Tribal-specific meetings held as "Clusters" or "Roundtables", with no one entity responsible to identify and engage in a group setting affected entities or organizations, then provide the necessary follow through coordination.

Technically, the North Dakota Rural Development Council was formalized upon my acceptance of the Executive Directorship on May 1996.

The North Dakota Rural Development Council and our counterparts in the other 35 states (at this time) are charged with the primary responsibility to bring together state, federal, local and tribal governments, and, the private and public sectors in meaningful forums, offering opportunity to join forces, cooperate in new ways, and devise strategic action plans to address common issues or concerns, ultimately to strengthen representative communities and rural America itself.

The North Dakota Rural DevelopmentCouncil is not intended to be a new rural development program, a source of funds, a project clearing house or lobbying organization. The goal is to make existing programs work more effectively to meet the needs of local communities. The Councils role is to complement, reinfore and ehnance these efforts by serving as facilitator, expeditor, convener, coordinator, and where appropriate, initiator.

As early noted, we are a relatively new organization, but are gaining in visibilty and stature as we proceed with our Annual Work and Strategic Plan. The first opportunity in this regard was to become a part of the State's team to assist in the recovery efforts necesssitated by the 1997 winter blizzards and Flood which brought devastation to large numbers of Red River Valley communities in eastern North Dakota nd three of the four Indian Reservations in the State.

Working directly with affected Regional Planning Councils, the Tribal Governments, and the primary Federal response Agencies such as FEMA, SBA, and more particularly the Economic Development Adminstration, on-site community meetings were held with local officials to determine the extent of damage, and to establish locally-driven priorities. Regional Economic Recovery Coordinators were hired, revolving loan programs were either recapitalized or started to assist small business owners, and, public works projects identified and applications filed. In short, EDA (alone) invested over $20 million in program funds to assist to alleviate distress conditions for the two major cities of Grand Forks and Fargo, and 12-15 smaller communities. The NDRDC as a key team member, was so credited with greatly assisting in the overall effort.

Fourteen of the 53 counties in the State have Tribal lands within their boundaries, and for the large part, full-time County Emergency Managers. The NDRDC entered into a Partnership Agreement with the ND Department of Emergency Management wherein local meetings would be held on the four Indian Reservations to better acquaint the two parties to emergency management matters and the availability of State EM training and supportive service. Responsibilities were to encourage and assist with the design of a local awareness campaign and to utltimately formulate mutually-acceptable Operations and Hazard Mitigation Plans. At this juncture, each of the four Tribal Governments have a designated EM contact, who are attending State-sponsored training sessions, and, are working closer with their neighbors on a defined cooperative response basis.

In early 1998 a new Leadership North Dakota Initiative was announced by the Governor's Office and more importantly, the NDRDC was pronounced to be the lead entity for the special effort.

The Council developed a multi-stage strategy built around high visibility statewide events, including the use of interactive television broadcasts to twelve sites, including the Tribal communtiy colleges. Dr. Barry Asmus, senior economist at the National Center for Policy Analysis, described global trands and their potential impact on local communities, prior to a lively question-answer session. 200 community leaders actively participated in this initial event.

The second event, a six-hour seminar presented by best-selling author and motivational speaker Tom Peters, was attended (free of charge) to 5,000 community leaders and interested citizens.

The First Annual Leadership Development Conference was attended by nearly 1,000 participants who were wlecomed by showcase community betterment booths and leadership skills building classes and materials. A later, Youth Leadership Summit, held in collaboration with several other organizations and youth groups, attracted an estimated 2500. Due to popular demand, several LNDI events are anticipated to be held over the upcoming summer and late fall months.

A direct offshoot of the Leadership Initiative, was a charge to the NDRDC, and many partners to develop a common format and process for community strategic planning. 70 facilitators from every geographic region of the state have received the necessary training and are so certified. As a prerequisite to the free training, each commited to assist at least one community in their area to complete an acceptable strategic plan. Later this month they are scheduled for a one-day refresher course and additional group dynamics skills building exercises. Selections are currently being made for active participation by at least 30 communities, and the four Indian Reservations to be assisted (as necessary) to complete satisfactory community strategic plans.

These activities were noted as tangible examples of the power of proactive partnerships such as those forged by the NDRDC and a large number of individuals and organizations who are dedicated toward enhancing the quality of life and standard of living in North Dakota. My counterparts in the other 35 States have accomplished as much or much, much more through the auspices of the State Rural Development Council concept.

Your demonstrated interest in the State Rural Development Councils is sincerely appreciated. Thank you for the opportunity to describe what the North Dakota Rural Development Council is all about, and on behalf of rural America, our ambitions for the future.

United States Senate
Committee on Agriculture, Nutrition, and Forestry
Subcommittee on Forestry, Conservation and Rural Revitalization

Testimony of David E. Black
Deputy Secretary for Community Affairs and Development
PA Department of Community and Economic Development (DCED)
March 8, 2000

Good afternoon Mr. Chairman and members of the subcommittee. It is a pleasure to be here on behalf of rural Pennsylvania and the Administration of Governor Tom Ridge.

My name is David Black, and I am Deputy Secretary for Community Affairs and Development for the Pennsylvania Department of Community and Economic Development.

My responsibilities include oversight of Pennsylvania's development efforts in three primary areas: local government, community development –which we refer to as community building, and entrepreneurial development. Within those areas we administer a number of state and federal grant programs. I also serve as Governor Ridge's Alternate to the Appalachian Regional Commission, which as you know has a largely rural focus.

Prior to serving in state government, I served as a County Commissioner in rural Clarion County in Northwestern Pennsylvania. I also had the opportunity to serve as Chairman of the Northwest Regional Planning and Development Commission, an 8-county Local Development District that is instrumental in delivery of development services to rural counties from both the federal and Pennsylvania state government. I served in these capacities from the mid-1980's through the mid-1990's, starting at a time when the unemployment rate in my county was as high as 16%. I learned a lot, in a very short period of time.

One of the most important things that I did learn, is that economic challenges in rural Pennsylvania were due in part to a shift in the national economy, and in part due to a shift in local economic base. Much of Pennsylvania's rural economy, like many rural areas throughout the country, was based in natural resources, coal, timber and natural gas. When these industries began to fade, it was necessary to try and shift the economic base, which produced two problems:

- First, like the steel valleys of Western Pennsylvania, helping residents face the reality that these natural resource industries would not be coming back, at least to the degree they were in the past.
- Second, determining where the local economy would go from here.

After construction of a new industrial park and resurrection of an old industrial park, work to encourage entrepreneurial investment, refocusing and re-energizing the economic development organization with new members, identifying strengths and working with the local State University and Vocational School on workforce retraining, the economic conditions of the county did stablize.

The economic base in the county shifted to a service and manufactured housing base with other traditional industries such as wood processing, coal and natural gas continuing to play a role. It was done by building on the strengths and opportunities of the county and region, and by addressing the weaknesses and threats as well. It also included connecting with the regional economy with state and federal programs.

It was largely internally based, and did not involve attracting large industries from outside the area. It would have been much easier to do, and perhaps, produced a quicker recovery had the network established by the PA Rural Development Council been in place back then.

While the economy is obviously much stronger now, some areas of rural Pennsylvania lag behind in economic growth. However, through Governor Ridge's regional approach to economic development, and utilizing the information sharing ability of the Rural Development Council, rural Pennsylvania has been able to take advantage of programs and resources designed to help areas that are at an economic disadvantage in Pennsylvania.

The Rural Development Council in Pennsylvania dates back to 1992. Since Governor Tom Ridge assumed office in 1995, the Council was moved to the State Capitol of Harrisburg from a regional office of a state agency and elevated to one of stature within the Governor's Executive Offices. The Council now enjoys a stronger advocacy role and access to expanded resources, including approximately $180,000 in state funding.

The mission of the PA Rural Development Council is rather simple; convening, facilitating, coordinating, educating, and advocating.

The Pennsylvania Rural Development Council has sought to open lines of access and communication to rural Pennsylvania. Through the use of telecommunications technology, the Pennsylvania Rural Development Council has established a forum for the live exchange of information on federal and state initiatives. Using teleconferencing at 10 sites throughout the Commonwealth, rural Pennsylvania leaders need only travel 60 to 90 minutes maximum to hear about new or expanding initiatives, and ask questions, rather than as much as 6 hours across the state to Harrisburg.

The quarterly teleconferences allow for exchanges between executive policy-makers and rural citizens. They have increased the attention and understanding on initiatives important to Pennsylvanians. These initiatives cross the spectrum of all issues from welfare reform to economic development to transportation to name just a few. I would like to highlight some of the important topics discussed in these sessions and some very positive results for rural Pennsylvanians which are due, at least in some degree, to the outreach efforts of the PA Rural Development Council.

- The development and implementation of a statewide transportation plan. Council members and attendees were able to ask questions and provide feedback on the state plan plus the ongoing development of TEA-21.

- A presentation by the Director of Governor Ridge's Washington Office. This formal presentation and question and answer led to a better understanding of the relationship between the state and federal government for rural Pennsylvanians.

- A presentation, which led to ongoing input on the development of one of Pennsylvania's leading economic development initiatives, the creation of Keystone Opportunity Zones. These zones waive state and local taxes for a period up to twelve years. In just the first year of the program, over 3,000 new jobs were created, over 2,000, or sixty percent, of the new jobs created in these economically-depressed zones were in rural areas.

- A discussion with staff from EPA and PennVest, the PA Infrastructure Investment Authority on the new Federal Safe Drinking Water Law and its potential impact on rural water systems.

- Updates from the PA Public Utility Commission on Pennsylvania's Electric Choice program. Since Pennsylvania was one of the first states to deregulate this industry, there were many questions about what this meant for consumers and rural businesses. The Council was able to provide timely and energetic speakers.

- Discussion on the advancement of the Link to Learn program between the state and local school districts. Created by Governor Ridge and spearheaded by the state Department of Education, this 3-year, $121 million program gets at the heart of the digital divide in rural areas by bringing computers, computer networks and training for teachers to all Pennsylvania school districts.

You can see the extensive outreach and access provided by the PA Rural Development Council. Establishing a network and providing access are keys to capacity building in rural areas which, in turn, is the key to development.

The PA Rural Development Council does not do the development work, but it helps to enable it to happen. It increases the opportunity to share experiences across rural Pennsylvania on a peer-to-peer basis, increases accessibility to federal and state government officials on programs to aid development, and creates a sense of camaraderie among rural Pennsylvanians that they are not alone and they are not forgotten.

Thank you for the opportunity to be with you this afternoon.

ATTACHMENTS

- List of PA Rural Development Council Presenters
- Teleconference Sites

The National Association of Counties

Congressional Testimony
On the National Rural Development Partnership
(NRDP)

Presented by Colleen Landkamer, Commissioner, Blue Earth County, MN and Chair, NACo Rural Action Caucus

Subcommittee on Forestry, Conservation, and Rural Revitalization
Senate Committee on Agriculture, Nutrition & Forestry

March 8, 2000
Washington, D.C.

440 First Street, NW
Washington, DC 20001–2080
202/393-6226
Fax 202/393-2630

Senator Craig and distinguished members of the committee, my name is Colleen Landkamer and I am the chair of the Blue Earth, MN Board of Commissioners and also Chair of the National Association of Counties (NACo) Rural Action Caucus. It is an honor to testify before your committee today.

As an elected county official from Blue Earth County, I have served for several years on the Board of Directors of the Minnesota Rural Partners, a council of the National Rural Development Partnership (NRDP). As an organization, Minnesota Rural Partners (MRP) do not distribute monetary resources, and have no programs to administer. Rather, through an information based, "learning while doing" approach, ***MRP addresses complex rural problems from a Minnesota, not a Washington, D.C. perspective***. They do this in an efficient manner by:

- Building critical inter- and intra-governmental relationships
- Promoting strategic development
- Making better use of existing resources
- Intervening in a problem-solving role
- Making a difference in the quality of life in rural America
- Representing a new model of governance

The Minnesota Rural Partners were particularly helpful in my county on a number of different issues. In particular, the MRP and their Disaster Recovery Task Force have been extremely helpful to the citizens in Blue Earth County through disaster mitigation

following severe storms that produce floods and tornadoes. MRP coordinates their recovery activities with federal agencies to ameliorate conditions in counties following these severe storms. With the MRP on the forefront of disaster mitigation, the citizens throughout Minnesota and my county have all benefited from their services.

MRP has also provided beneficial information and 'best practices' examples that have helped all of the counties in Minnesota on issues ranging from technology to agri-forestry. There are thirty-five other NRDP state councils throughout the country doing similar work on a daily basis.

Senator, I am also integrally involved with the National Association of Counties (NACo). NACo is the only national organization that represents county governments in the United States. With its headquarters on Capitol Hill, NACo is a full-service organization that provides an extensive line of services including legislative, research, and technical as well as public affairs assistance to its nearly 2000 member counties. NACo has many strategic legislative partnerships with the National Rural Development Partnership (NRDP), the Rural Policy Research Institute (RUPRI), the National Association of Development Organizations (NADO), the National Association of Regional Councils (NARC), National Governors Association (NGA), the U.S. Conference of Mayors (USCM), and the National Council of State Legislatures (NCSL).

At NACo, I chair the Rural Action Caucus that was recently created to represent America's 2,350 rural counties on Capitol Hill. Senator Craig, you recently spoke at the

NACo Legislative Conference emphasizing the need to "Seize the Initiative" on a number of critical issues facing counties, particularly your bill, S. 1608. On behalf of our rural forest counties throughout the States, I want to thank you and your staff for your hard work to rectify the deteriorating conditions in these counties.

Our Rural Action Caucus membership consists of 1,000 rural county commissioners, and with their help we are mobilizing our grassroots on a variety of issues facing rural America including:

1. Helping to bridge the digital divide;
2. Providing adequate health care services to rural areas

It is essential that our rural partners collaborate on these initiatives. Through future partnerships with our Rural Action Caucus, RUPRI, the NRDP, and rural state councils throughout America we will address and solve these and other pertinent issues facing rural communities throughout the West and across the nation.

I'd like to cite the importance of Undersecretary Jill Long Thompson's role in promoting rural initiatives at USDA. Thank you to all of the Members of the Committee for your leadership for rural America and for having a subcommittee devoted to addressing rural revitalization, and thank you for this opportunity to testify before you today. I would be happy to answer any questions.

DOCUMENTS SUBMITTED FOR THE RECORD

MARCH 8, 2000

List of presenters from previous Full Council meetings:

September 22, 1995

Peter Kay - Advisor to the Governor for Economic Development
Mr. Kay discussed the Ridge Administration's initiatives regarding economic development and share insights on how these initiatives are being implemented. Council members were able to ask questions of Mr. Kay, and also to provide feedback.

Richard Peltz, Deputy Secretary, PA Department of Transportation
Mr. Peltz gave a presentation on the Pennsylvania Transportation Policy Plan.

December 15, 1995

Rebecca Halkias, Director, Governor's Washington Office
Ms. Halkias provided a year-end wrap-up of federal legislation affecting rural areas. Her review included issues as diverse as federal rural development policy and the federal budget to welfare and Medicare reform. She also discussed the role and operation of the Governor's Washington Office.

Larry A. Olsen - Deputy Secretary, Office of Administration
Mr. Olsen spoke of his role as the Commonwealth's Chief Information Officer, being charged by Governor Ridge with the task of coordinating the development of a unified information technology/telecommunications policy, both for state government and - more broadly - for Pennsylvania as a whole. He also discussed his efforts and explained how the Rural Development Council is involved in them.

March 22, 1996

Martha Lester Harris - Deputy Secretary, PA Department of Commerce
Ms. Harris made a presentation on Pennsylvania's new tourism and economic development marketing program.

Steve Smith - Associate Professor of Agricultural Economics, and
Director, Center for Economic and Community Development
PA State University
Jeremy Nowak, Executive Director
Delaware Valley Community Reinvestment Fund
Mr. Smith and Mr. Nowak discussed the use of community reinvestment funds as a tool to promote economic development activities.

Daniel Hoffmann, Acting Secretary, PA Department of Health

Secretary Hoffman discussed the Ridge Administration's State Health Center Initiative.

September 27, 1996

David E. Black - Deputy Secretary
PA Department of Community and Economic Development

Mr. Black discussed the new department's mission and operations and responded to Council members' questions.

John Bailey - Special Assistant to the Secretary
PA Department of Education

Mr. Bailey discussed the goals of the $121 million Link-to-Learn Program, which will bring computers and computer networks to Pennsylvania schools and provide training for teachers. The process by which Link-to-Learn grants will be allocated was also covered.

Dale Long - Small Communities Advocate
US Environmental Protection Agency
Paul K. Marchetti, Executive Director
Pennsylvania Infrastructure Investment Authority (PennVEST)

Mr. Long and Mr. Marchetti discussed the newly enacted Federal Safe Drinking Water Law and its potential impact on rural water systems.

December 11, 1996

Sherri Z. Heller, Deputy Secretary, Office of Income Maintenance, Pennsylvania Department of Public Welfare

Ms. Heller discussed the potential impacts of welfare reform on rural areas.

Otto F. Hofmann, Deputy Executive Director, PA Public Utility Commission

Mr. Hofmann discussed electric utility competition, telecommunications deregulation, and other issues that were before the Pennsylvania Public Utility Commission.

Julia Eckert, Executive Director, Regional Vision: Leadership Development for Northwest Pennsylvania.

Ms. Eckert discussed rural leadership training in Northwest Pennsylvania.

March 21, 1997

Greg White - Policy Director, PA Department of Education

Mr. White discussed educational reform in Pennsylvania.

Deborah Pontzer, Former Executive Director
Elk/Cameron Community Education Council
Ms. Pontzer discussed community education councils, and how they are a local response to educational needs.

Dr. Dan Paul - Project Director, New Vision/One PA
Dr. Paul discussed The Northern Tier Distance Learning Consortium, and how it brought the world of education to rural communities.

Arnold Hillman - Consultant, Pennsylvania Association of Rural & Small Schools (PARSS)
Mr. Hillman provided perspectives on education in rural Pennsylvania.

Ed Geiger - Executive Policy Specialist
PA Department of Community and Economic Development
Mr. Geiger provided an overview of the *Project for Community Building* and discussed how it benefits rural communities.

Duane Tuttle - Program Director, USDA/Rural Development
Mr. Tuttle provided an overview of the draft rural development plan for Pennsylvania.

June 27, 1997

The Honorable Samuel E. Hayes, Jr. – Secretary
PA Department of Agriculture
Secretary Hayes discussed new directions for agriculture in Pennsylvania.

Randall Cooley, President, Allegheny Heritage Development Corporation
Mr. Cooley discussed tourism and economic development in Western Pennsylvania.

Cheryl Cook - State Director, USDA/Rural Development
Ms. Cook reviewed the Pennsylvania Rural Development Strategic Plan.

Nevin Mindlin, Policy Director, PA Department of Labor & Industry
Mr. Mindlin discussed the Ridge Administration's workforce development initiatives.

Walt Whitmer, Pennsylvania State Cooperative Extension
Mr. Whitmer provided an update on the PRDC *Pathways from Poverty* initiative.

September 26, 1997

Debra Kriete, PA Public Utility Commission

Ms. Kriete discussed the status of the implementation of the Telecommunications Act's universal service provisions.

Nicholas Giordano, Director of Telecommunications Policy, Office for Information Technology

Mr. Giordano discussed the importance of universal service to the Ridge Administration's telecommunications strategy for rural Pennsylvania.

John S. Brenner, Executive Director, Pennsylvania Fire Services Institute

Mr. Brenner reported on a Fire Services Institute study, which indicated that the number of volunteer fire and emergency service personnel in Pennsylvania continues to decline while demand for emergency services continues to increase. The study also indicated that volunteer fire companies are having an increasingly difficult time raising the money necessary to purchase state-of-the-art equipment.

The Honorable Bradley L. Mallory – Secretary PA Department of Transportation

Secretary Mallory discussed PennDOT's plans for improving the transportation infrastructure of rural Pennsylvania, his vision for an integrated transportation system for the Commonwealth, and the pending federal transportation legislation (ISTEA).

December 19, 1997

Robert Steele - Dean, College of Agricultural Sciences Pennsylvania State University

Dean Steele shared his vision for how Penn State's College of Agricultural Sciences and the Cooperative Extension Service can help to meet the changing needs of Pennsylvania's agricultural economy and the challenges facing the Commonwealth's rural communities.

John Russell - President & CEO The Institute for Healthy Communities

Mr. Russell discussed how Pennsylvania's rural communities can work to provide adequate and affordable health care for their citizens by aggregating and more efficiently using existing health and human service resources during a time of great change in the health care sector.

Carol Collier - Executive Director
Pennsylvania 21st Century Environmental Commission

Ms. Collier discussed activities at the state level to help rural communities deal with land use planning issues, development pressures, economic viability concerns, and competing demands for limited public resources.

Karen Fleisher, Director of the Governor's Office of Citizen Service (PennSERVE)

Ms. Fleisher discussed her agency's 1998 planning effort and solicit ideas to assure that rural areas' needs are addressed.

March 20, 1998

Cheryl Cook - Director, USDA/Rural Development
Karen Miller - HUD Secretary's Representative for Pennsylvania

One of the goals of the Pennsylvania Rural Development Council (PRDC) is to promote coordination and collaboration among government agencies in order to better deliver services to rural communities in a time of shrinking resources. One of the outcomes of a 1997 "summit" of federal and state housing and community development agencies hosted by the Council is this memorandum of understanding between the US Department of Agriculture Rural Development Mission Area (USDA/RD) and the US Department of Housing and Urban Development (HUD) which provides for HUD to handle all fair housing complaints received by USDA. Cheryl Cook and Karen Miller signed the agreement in the presence of those who attended the meeting.

John Palmer - Manager, Allegheny National Forest
James R. Grace - Pennsylvania State Forester

Messrs. Palmer and Grace discussed sustainable timber management practices being pursued on public lands in Pennsylvania and how these practices are compatible with the multi-use goals of economic development, tourism, and outdoor recreation. Mr. Grace also discussed the efforts to encourage sustainable timber management practices by private landowners in Pennsylvania.

Philip L. Calhoun, Deputy Secretary for Strategic Economic Sectors
David E. Black, Deputy Secretary for Community Affairs & Development
PA Department of Community and Economic Development (DCED)

Mr. Calhoun provided an overview of the Technology 21 Project, which authorized by Governor Tom Ridge, and its relevance to rural Pennsylvania. The Tech 21 Report, which was received by the Governor on January 21, 1998, includes strategies for attracting additional high-tech, high-wage jobs to Pennsylvania. DCED is responsible for coordinating this multi-agency, public/private partnership. Mr. Black

discussed the Governor's Keystone Opportunity Zone Initiative and other DCED initiatives.

June 26, 1998

Frank Gerry - Assistant Vice-Chancellor, State System of Higher Education
Dr. Gerry reviewed the recent SSHE study, which quantified the positive of the State System on Pennsylvania's economy.

Beverly Mackereth, Deputy Director
Governor's Community Partnership for Safe Children
Lynn Cromley, Executive Director, Center for Schools and Communities
Ms. Mackereth and Ms. Cromley discussed the growing problem of youth violence in rural areas, how to identify the warning signs parents and schools should be aware of, and how to focus on strategies communities can undertake to lessen the chances that they will be the victim of youth violence.

James C. Kearney, Special Assistant to the Administrator
USDA Farm Service Agency
Marion Bowlan, PA Representative for the National Commission on Small Farms
Mr. Kearney and Ms. Bowlan discussed the recent report of the National Commission on Small Farms and provided information on the eight recommendations that it contains. They also discussed the relevance of the report to the future of agriculture in Pennsylvania.

Pete Tartline, Deputy Director, Governor's Policy Office
Mr. Tartline gave a PowerPoint presentation that outlined the Ridge Administration's initiatives that will reform the delivery of workforce development programs in Pennsylvania. He also discussed the link between more responsive workforce development programs and welfare reform and educational reform.

September 25, 1998

Dennis Lebo, PA Department of Transportation Planning Office
Mr. Lebo discussed the benefits rural communities should expect to receive from the recently enacted federal transportation legislation (commonly known as TEA-21) and provided information on how rural residents can participate in PennDOT's current 25-year transportation planning process.

Robert J. Barkanic, 21st Century Environment Commission

Mr. Barkanic reviewed the findings and recommendations included in the Commission's recently completed report to the Governor and also discussed how the Commission's work will influence development in rural areas.

Barbara Cole, Assistant Director
PA Department of Education, Commonwealth Libraries
Glen Miller, Executive Director, PA Library Association

Ms. Cole and Mr. Miller will report on the findings of a recent study, which quantifies the contributions libraries make to the Commonwealth and also discuss the status and future of rural libraries.

December 18, 1998

Kim Coon, Director, Governor's Center for Local Government Services
Coordinator for Census 2000

Mr. Coon discussed how his office is working to assure an accurate count of Pennsylvania's citizens and how the public can become involved. An accurate census count is important to rural areas because population numbers are used to determine legislative reapportionment, program funding formulas, and other purposes.

Martha Harris, Chief Operating Office
PA Human Resources Investment Council

Ms. Harris provided an overview of the structure and activities of the newly created HRIC and its relationship with local job training and workforce development agencies. She also discussed how the newly enacted federal Workforce Investment Act will change the way job training and workforce development services will be delivered in rural Pennsylvania.

Information Exchange:

State Health Improvement Plan – the Newly released State Health Improvement Plan is intended to provide a framework within specific strategies can be developed to improve public health in PA. An official of the PA Department of Health will explain how SHIP will affect rural PA and how rural communities can become directly involved with the implementation of SHIP.

Stand up for Rural America – You'll learn how to sign up for this national campaign which seeks to increase awareness of challenges facing rural communities and potential responses to those challenges.

Welfare reform in PA: Pathways to self-sufficiency – You will receive a preview of this statewide conference, which is sponsored by the League of Women Voters Citizens Fund and scheduled for March 17, 1999.

March 19, 1999

Sherri Z. Heller, Deputy Secretary for Income Maintenance
PA Department of Public Welfare

Ms. Heller provided an update on how welfare reform is working in rural PA, as a result of the welfare reform process.

Captain Robert P. Hague, PA State Police Heritage Affairs Office

Captain Hague provided an overview of the Police Heritage Affairs Office and the Commonwealth's laws related to hate crimes, explained how communities can determine if hate groups are active in their area, and suggested how rural communities can combat this problem.

Philip Horn, Executive Director, PA Council on the Arts

Mr. Horn discussed the Art Council's commitment to encouraging arts programming in rural PA. He also provided information about the many arts programs available to rural schools and communities and how interested groups could apply for funding. Local arts groups were present to showcase their contributions to their communities.

Information Exchange:

Thomas G. Paese, Secretary of Administration
Governor's Office of Administration

Secretary Paese provided an update on the allocation process and how interested citizens can participate in the process.

Denise I. Robison, Deputy Secretary, PA Department of Aging

Ms. Robison provided information about the Department's coordinating role for The International Year of Older Persons, an initiative of the United Nation's General Assembly.

Mary-Jo Langston, Network Coordinator, PA Nutrition Education Network

Ms. Langston discussed local and statewide initiatives to improve the nutritional health of rural Pennsylvanians and what rural communities can do to meet the nutritional needs of their citizens.

June 18, 1999

Charles Gerhards, Pennsylvania's Chief Information Office
Frederick D. Loomis, Executive Director
Pennsylvania's Y2K Educational Outreach Program

Mr. Gerhards and Mr. Loomis described efforts by governmental agencies and the private sector to prepare for the so-called "Y2K computer bug," discussed what rural residents can do in order to protect themselves and their comities, and speculated about what – if anything – will happen at 12:01 AM on January 1, 2000.

Peter S. Fader, Associate Professor of Marketing
Wharton School of the University of Pennsylvania

Mr. Fader explained what rural Pennsylvanians should expect from the Commonwealth's Electric Choice program and what will have to happen in order for a vibrant electricity marketplace to develop.

The Honorable Mary Jo White, Pennsylvania State Senator, 21st District

Senator White shared her vision for meeting rural residents' aspirations for advanced telecommunications services. She also talked about how "rank and file" citizens can become involved in Pennsylvania's current telecommunications debate.

Information Exchange:

Michael Poliakoff, Deputy Secretary for Post Secondary & Higher Education
PA Department of Education

Dr. Poliakoff discussed the new Alternative Teacher Certification Program and its goal of bringing more qualified teachers to the classrooms that need them.

September 17, 1999

Bill Shuffstall, Penn State Cooperative Extension Community Development Agent

Mr. Shuffstall discussed the initiative designed to help rural communities organize so that they can fully participate in the "Information Technology Age." In addition to relating efforts to "test" this initiative in Potter County, he also suggested how other rural communities can participate in this initiative and where community leaders can obtain assistance.

The Honorable James M. Seif, Secretary
Pennsylvania Department of Environmental Protection

Secretary Seif shared his vision for why Pennsylvanians should become more engaged in the sound land use planning debate. He also explained the *Growing Greener* and other Ridge Administration environmental initiatives.

Glen Thomas, Senior Policy Analyst, Governor's Policy Office

Mr. Thomas reported on the 53 sound land use forums the Administration held throughout the state this summer and provided an update on the potential legislative and administrative actions that took place to give local government officials expanded land use planning options.

Eric Menzer, Director of Economic Development, City of York

Mr. Menzer provided information regarding York's experience with the *Green Communities Program* of the US Environmental Protection Agency.

The goal of the *Green Communities Program* is to help protect and enhance environmental resources, while promoting economic growth.

Gary Alt, Statewide Deer Management Coordinator
Pennsylvania Game Commission

Mr. Alt presented information on the scope of the deer management challenge in Pennsylvania and discussed the potential strategies for dealing with this challenge. (Deer herd management is an important issue for sportsmen, farmers, foresters, and others who live and spend time in rural Pennsylvania.)

December 17, 1999

Kim Coon, Director of the Governor's Center for Local Government Services, Census 2000

Mr. Coon provided an update on plans to conduct the most complete census count possible. He also discussed how local governments, non-profit organizations, and individuals could contribute to this effort.

Tammy McElfresh, Executive Policy Specialist
PA Department of Transportation

Ms. McElfresh provided an update on the agency's efforts to expand transportation options for persons with disabilities. Her special focus was on increasing accessible and affordable transportation options in rural areas. She urged participants to become involved in this effort.

Lawrence A. Biro, VA Network Director for Pennsylvania, West Virginia, Delaware, Maryland, New Jersey, Ohio and New York
Michael Moreland, Director of the Butler VA Medical Center

Mr. Biro and Mr. Moreland discussed changes the US Veterans Administration has made to provide quality medical care for veterans and their families, including the deployment of a state-of-the-art telemedicine system. A majority of the VA's Pennsylvania medical centers are located in rural areas.

Joe Kelly, Executive Director of the Pennsylvania Humanities Council
Jean H. Cutler, Executive Director, Pennsylvania Federation of Museums

Mr. Kelly and Ms. Cutler reviewed their organizations' programs and explained how rural communities can take advantage of them. They also discussed grants and funding programs that are available to groups in rural areas.

Pennsylvania Rural Development Council

Video Conference Sites

(Two-way, fully interactive)

The Center for Advanced Technologies
Altoona Area School District
Greater Altoona Career & Technology Center
1500 Fourth Avenue, Second Floor
Altoona, PA
Site information – 814/946-8524x101

Department of Veterans Affairs
Medical Center
325 New Castle Road
Building #1, Room 111 WN
Butler, PA
Site information – 724/285-2404

Dixon University Center
Administration Building
2986 North Second Street
Harrisburg, PA
Site information – 717/720-7001

Keystone College
Hibbard Campus Center
President's Dining Room
One College Green
LaPlume (Wyoming County), PA
Site information – 570/945-5141

George J. Barco Center
Haskell Memorial Library, Room G-7
University of Pittsburgh
504 East Main Street
Titusville, PA
Bloomsburg

Bloomsburg University
Magee Center
Front Living Room
700 West Main Street
Bloomsburg, PA
Site information – 570/389-4420

University of Pittsburgh at Greensburg
Millstein Building, Room 250
1150 Mt. Pleasant Road
Greensburg, PA
Site information – 724/836-9872

Kutztown University
Beekey Education Center, Room 109
Main Street
Kutztown, PA

Site information – 610/683-1543

Community Education Council
of Elk & Cameron Counties
Four Erie Avenue, Suite 200
St. Marys, PA
Site information – 814-781-3437

Pennsylvania College of Technology
The North Campus
US Route 6
Wellsboro, PA
Site information – 570/724-7703

U.S. Department of Transportation

Serving Rural America

THE RURAL TRANSPORTATION INITIATIVE

Rodney E. Slater
Secretary of
Transportation
May 1999

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STATEMENT OF POLICY ON

Rural Transportation

The U.S. Department of Transportation Strategic Plan sets out the Department of Transportation as the visionary and vigilant leader of transportation excellence for the 21st Century, committed to serving the United States by fostering a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future. To fulfill this commitment for rural areas and small communities of the Nation, the Department will work to ensure that these areas share in the planning and decision making for and in the benefits flowing from a transportation system that:

- improves safety to reduce the human and material costs which are unintended consequences of the operation of the transportation system in rural areas;

- allows residents of rural areas and small communities access to the destinations and goods to attain their desired quality of life;

- provides the transportation service that will afford small communities and rural areas the opportunity to reach their economic growth and trade potential;

- enhances the social strength and cohesiveness of small communities and protects the natural environment of rural areas; and

- maintains the national security and border integrity necessary for the well being of all Americans.

Rodney E. Slater
Secretary of Transportation

GETTING INVOLVED IN

Transportation Planning

The Transportation Equity Act for the 21st Century (TEA-21) provides substantial funding to build and improve rural transportation infrastructure and enhance transportation service. Only through active involvement by rural officials in the transportation planning process will these program resources be targeted to the transportation needs of rural America. We are making a concerted effort to enhance participation of rural officials in both the statewide and metropolitan transportation planning processes. Training and technical assistance is available to states and rural communities through the Rural Transit Assistance Program, the Local Technical Assistance Program, the Tribal Technical Assistance Program, the National Transit Institute, and the National Highway Institute.

THE DEPARTMENT OF TRANSPORTATION IS:

- Sponsoring rural planning workshops to highlight the requirement that local officials must be involved in the transportation planning processes, identifying examples of effective rural involvement and documenting the benefits of that involvement.

- Conducting a study of the involvement of local officials in the planning process and reporting study results, along with recommendations, to the Congress.

- Preparing a guidebook on rural planning that will contain examples of planning processes that have successfully integrated the perspectives of local officials and document the benefits.

MAKING RURAL TRANSPORTATION *Safer*

Safety is the preeminent mission of the Department. This is in some respects even more critical in rural areas and small communities where highway death and injury rates are higher than in metropolitan areas and where rail trespassing and grade crossing problems are even more pronounced. We have found that community-wide approaches yield the best results. There are a number of activities of particular interest to rural communities. These include emergency medical services; occupant protection and impaired driving programs; rail grade crossing improvements; "forgiving highway" designs; trauma system advances; child passenger safety; pedestrian and bicycle safety; motorcycle helmet use; and Intelligent Vehicle System-based weather information, crash avoidance and other safety applications.

The process of assessing problems, identifying solutions, and developing support for those solutions from the community as a whole seems particularly well suited for smaller communities that often have a highly developed sense of cohesiveness, self-reliance and pride. We will build on these positive traits to make transportation safer for rural America.

THE DEPARTMENT OF TRANSPORTATION IS:

- Adopting a goal of establishing 1000 Safe Communities by the end of 2000; we will work to see that small towns and rural communities make up a substantial share of the newly established Safe Communities.

- Making a "tool kit" available to our state and local partners to promote and market the Safe Communities approach to the leaders and residents of communities across the nation that will include elements targeted at the strong values of self-reliance, independence and community pride that characterize rural communities.

- Developing strategies that will help adapt the Safe Communities model more effectively to the particular circumstances found in rural communities.

- Developing, in cooperation with the National Rural Health Association, a marketing manual aimed at soliciting the involvement of rural health providers in programs to increase seat belt and child safety seat use

ENHANCING Local Public Passenger TRANSPORTATION

It is vital that we make every effort to enhance or extend transportation in rural areas, particularly where existing transit service is limited, inadequate or non-existent. This will give rural residents access to job opportunities, health care, educational resources, social contacts and all of the other activities that allow us to live full and satisfying lives. We have the resources, practices, and technologies that can make rural transportation service more effective and efficient.

THE DEPARTMENT OF TRANSPORTATION IS:

- Working with states to ensure that the increased formula funding under TEA-21 makes rural transit more widely available.

- Initiating the design and implementation of rural transit pilot projects in some of our most challenging and needy rural settings - the Mississippi Delta, Appalachia and on tribal lands. The objective of these pilot projects is to provide better service to the residents of these areas, taking advantage of best practices for coordinating services and using intelligent transportation technologies where appropriate.

IMPROVING *Freight* TRANSPORTATION

Effective freight transport service is essential for rural communities and businesses to be able to compete in the economic marketplace. To be competitive, the agricultural and manufacturing products and services of rural America must be made accessible to the rest of the Nation and the world, and the freight transportation system makes that happen.

THE DEPARTMENT OF TRANSPORTATION IS:

- Moving forward with the implementation of the new rail credit program authorized by TEA-21 — the Railroad Rehabilitation and Improvement Financing Program (RRIF), with particular attention to the $1 billion reserve for small railroads which generally serve rural communities.

- Conducting an inventory of connections between the National Highway System and freight intermodal terminals — a substantial share of which are found in rural areas – and report to Congress on the status of those connections.

- Identifying ways to improve the environment for the export of America's rural products through transportation innovations, emphasizing the interrelationships and interconnections among waterborne and surface transportation modes.

Connecting
RURAL COMMUNITIES

Rural communities must be connected to the intercity passenger transportation network so that their residents can have access to family, friends and social needs outside their communities and communities can compete for businesses for which such convenient intercity travel is a necessity. As part of the Department's continuing commitment to ensuring that access, we are proposing legislation as well as working to implement existing authorities.

THE DEPARTMENT OF TRANSPORTATION IS:

- Proposing, in our Federal Aviation Administration Authorization Act of 1999,

  — A new five-year, $25 million ($5 million per year) small community aviation development program that would award funds directly to rural communities to help them attract new airline service.

  — Actions, involving carrier practices and airport management activities, that would promote competition and improve the environment for enhanced air carrier service to smaller communities

  — Greater Airport Improvement Program emphasis and resources devoted to those airports serving rural areas and small communities.

- Working with the states to ensure that they adequately consider intercity bus mobility needs in their distribution of the increased formula funding for rural transit made available by TEA-21.

- Assisting the intercity bus industry to comply with the ADA regulation for over-the-road buses.

SUPPORTING *Tourism*

The Department administers, and is involved with other Federal agencies in implementing, a variety of Federal transportation programs that can play important roles in supporting tourism in rural communities. Some of the key Departmental programs are Scenic Byways, American Heritage Rivers, Millennium Trails, Transportation Enhancements, Covered Bridges, Recreational Trails, and Federal Lands Highways.

THE DEPARTMENT OF TRANSPORTATION IS:

- Working with other Federal agencies involved in rural economic and community development (e.g., the Department of Agriculture and the Economic Development Administration), to identify, document and disseminate examples of rural communities using DOT programs to support rural tourism, illustrating for other communities how DOT program resources might be integrated into their own plans for tourism development.

- Undertaking, together with the National Park Service (NPS) of the Department of the Interior, an operational test of the capabilities of Intelligent Transportation System technology to improve transportation service in a major National Park, soon to be selected and working with the NPS on the development of clean bus fuels technology.

SERVING OUR RURAL

Customers

The Department of Transportation and its predecessor agencies have long been involved in providing transportation assistance to the rural areas and small communities of the Nation. To revitalize the Department's involvement in rural activities and to ensure that rural transportation receives appropriate attention and consideration within the Department, we have taken several actions that will raise the visibility and consciousness of rural concerns and issues.

THE DEPARTMENT OF TRANSPORTATION IS:

- Published *Serving Rural America: A U.S. Department of Transportation Rural Program Guide,* in April, 1999, that provides brief descriptions of the Department's programs and contact information to help rural officials, residents, and transportation users take full advantage of the opportunities available through the Department of Transportation programs.

- Published, together with the Economic Research Service of the United States Department of Agriculture (USDA), an annotated bibliography of rural transportation research.

- Will fill the newly created position of Rural Transportation Coordinator for the Department and identify key rural officials throughout the Department.

- Will consider the likely impact on rural residents, businesses and communities of proposed Departmental regulatory and legislative actions.

- Will undertake joint activities aimed at enhancing transportation opportunities for rural residents and businesses as part of the implementation of the DOT/USDA Memorandum of Understanding.

AN *Evolving* INITIATIVE

The Rural Transportation Initiative is designed to help improve the opportunities for people in rural areas to lead safer, healthier and more fulfilling lives through the benefits that effective transportation service can bring to them. Ensuring access to health care, job opportunities and social contacts for their people and to markets for their products is essential to the viability of our rural communities. Good and efficient transportation can provide that access.

This brochure lays out the initial activities of the Rural Transportation Initiative; however, it does not describe the full extent of what we plan to accomplish as we move into the next century. The Initiative is intended to be a dynamic activity evolving and adjusting to changing circumstances and conditions in rural areas and small communities.

We at the Department of Transportation look forward to working with our partners in state and local government and the private sector to make our joint vision for the people, businesses, and communities of rural America a reality.

Serving Rural America

U.S. Department of

Transportation

Rural Program Guide

Message by U.S. Department of Transportation Secretary

RODNEY E. SLATER

President Clinton is committed to rebuilding America by providing a record, balanced investment in transportation that meets our vital national interests and enhances the quality of life of all Americans. The Department of Transportation is committed to ensuring that Americans in the rural areas and smaller communities of the Nation share those benefits. My recently announced Rural Initiative is directed toward providing people in rural areas the opportunity to lead safer, healthier and more fulfilling lives.

This brochure on transportation programs that serve rural America is one element of my Rural Initiative. It provides information on Federal transportation programs designed to improve safety, provide mobility through improvements to our transportation infrastructure, and strengthen proven strategies to safeguard public health and the environment in our rural communities and towns.

I look forward to working with our partners in state and local government and the private sector to make our joint vision for people in rural communities a reality.

Rodney E. Slater

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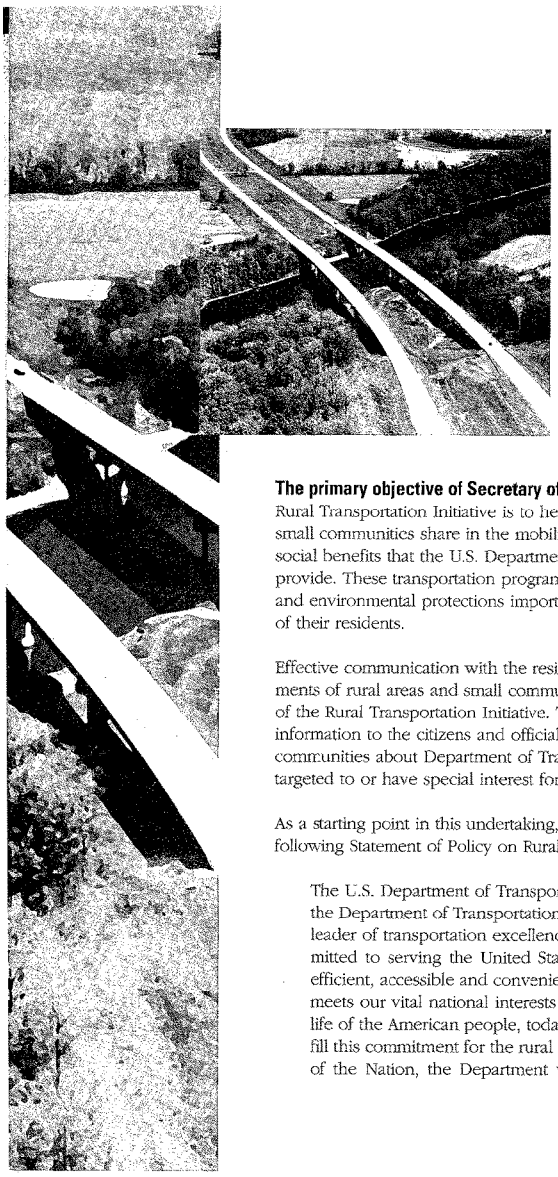


Introduction

The primary objective of Secretary of Transportation Rodney Slater's Rural Transportation Initiative is to help ensure that rural areas and small communities share in the mobility as well as the economic and social benefits that the U.S. Department of Transportation programs provide. These transportation programs also offer safety improvements and environmental protections important to the health and well being of their residents.

Effective communication with the residents, businesses, and governments of rural areas and small communities is essential to the success of the Rural Transportation Initiative. This publication provides information to the citizens and officials of rural areas and small communities about Department of Transportation programs that are targeted to or have special interest for rural America.

As a starting point in this undertaking, the Department developed the following Statement of Policy on Rural Transportation:

> The U.S. Department of Transportation Strategic Plan sets out the Department of Transportation as the visionary and vigilant leader of transportation excellence for the 21st Century, committed to serving the United States by fostering a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future. To fulfill this commitment for the rural areas and small communities of the Nation, the Department will work to ensure that all

Americans in these areas share in the planning and decision making for and in the benefits flowing from a transportation system that:

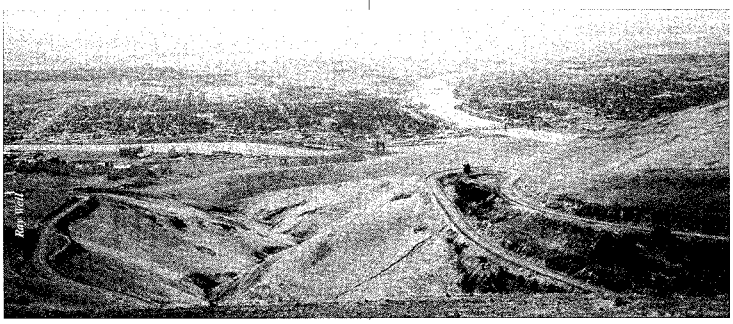
- improves safety to reduce the human and material costs that are unintended consequences of the operation of the transportation system in rural areas;
- allows residents of rural areas and small communities access to the destinations and goods to attain their desired quality of life;
- provides the transportation service that will afford small communities and rural areas the opportunity to reach their economic growth and trade potential;
- enhances the social strength and cohesiveness of small communities and protects the natural environment of rural areas; and
- maintains the national security and border integrity necessary for the well-being of all Americans.

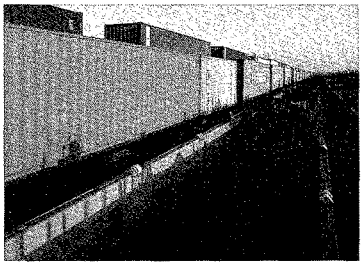
The Rural Transportation Initiative is intended to be a first step — a beginning from which a transportation system better positioned to serve small communities and rural areas can evolve. It also is critically important that rural areas be involved in the transportation planning process by which transportation investment decisions of public funds are made.

Among the key challenges in rural areas are: improving safety even as travel continues to increase, preserving and enhancing the environment, supporting economic growth and responding to social and demographic changes.

Safety: Although we have made great progress in highway safety, even as travel has increased dramatically, highway deaths and injuries continue to overwhelm all other transportation-related deaths and injuries. These place a huge burden on our economy — an estimated $150 billion annually — and have high personal and social costs, as well. The greater isolation and distances in rural areas present special problems from a safety perspective. Certain types of crashes — rail-highway grade crossing, run-off-the-road, and others — are more prevalent in rural areas. Often crashes go unreported and the distance to medical services can be longer than in metropolitan areas, thereby lengthening the response time that can be so critical in treating crash victims.

Travel: Not only does travel in rural areas continue to increase at an unprecedented rate, but meeting the demand in rural areas creates some difficult challenges. The distances involved and the lower population density create difficult conditions, particularly in providing non-auto alternatives for the growing numbers in rural areas who cannot or





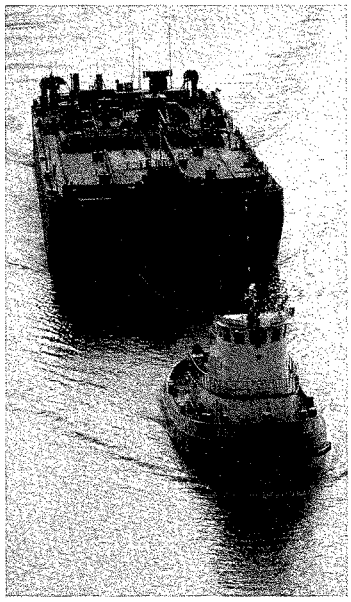
choose not to use private autos. The growing importance of tourism in rural areas demands transportation solutions that preserve and protect the scenic, cultural, historic and natural environment.

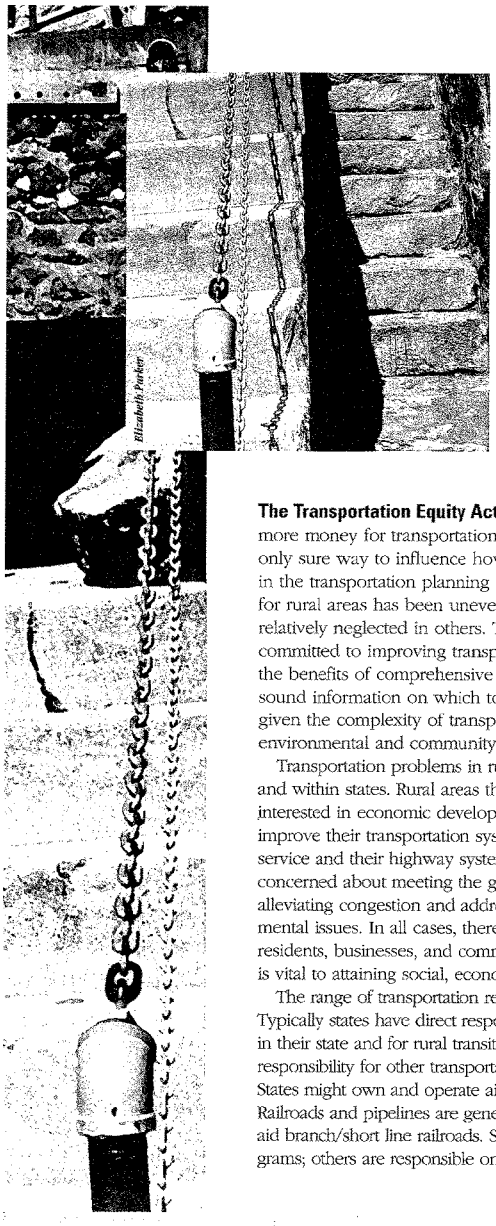
Environment: Major national legislation has been enacted to protect our air and water as well as the cultural, historic, scenic and natural resources so important to our quality of life. Transportation activity has important impacts on the environment - from air and water quality to land use. Rural areas are particularly concerned with protecting the natural environment from which its residents draw a large share of their desired quality of life. Another environmental consideration of particular importance to rural areas and small communities is controlling the land uses on which transportation can have such a major influence. It is essential that we continue to account for the costs of transportation decisions that affect these nonrenewable resources and provide assistance, where possible, to mitigate adverse effects on our rural communities and their environment.

Economic Activity: The economic vitality of our Nation — to continue our high standard of living and compete effectively in international markets — requires efficient transport of passengers and freight throughout the Nation. Many rural areas are engaged in a long-term process of undergoing a change from an agricultural-based economy to one rooted in manufacturing, service, or tourism. Responding to this fundamental economic change and allowing these communities to compete on an equal footing for this business creates a need for new and different transportation services.

Demographic changes: Recent data indicate that the population growth of many rural areas is more vibrant than had been thought. Moreover, older Americans reside in and are relocating to rural areas and small communities in larger proportion than in urban areas. These trends underscore the need for a spectrum of transportation choices to meet daily and local travel needs and to provide access to and egress from these areas for longer journeys.

This brochure, Serving Rural America, provides information about the U.S. Department of Transportation's grant programs that are of the most direct interest to rural areas and small communities. It also includes a brief discussion of programs that serve transportation concerns that span both rural and urban areas. The Appendix includes additional references and specific program contacts.




Elizabeth Parker

ENHANCING *Transportation* DECISION MAKING

The Transportation Equity Act for the 21st Century (TEA-21) provides more money for transportation in rural areas than ever before. But the only sure way to influence how this money is spent is by involvement in the transportation planning process. To date, transportation planning for rural areas has been uneven at best — effective in some areas, but relatively neglected in others. The Department of Transportation is committed to improving transportation planning for all areas because the benefits of comprehensive planning are clear. Officials must have sound information on which to base investment decisions, especially given the complexity of transportation issues, including the associated environmental and community concerns.

Transportation problems in rural areas vary greatly from state to state and within states. Rural areas that are in decline economically, but are interested in economic development, are seeking ways to preserve and improve their transportation system — air service, rail service, transit service and their highway system. Areas that are experiencing growth are concerned about meeting the growing demand for transportation while alleviating congestion and addressing growth management and environmental issues. In all cases, there is widespread recognition among rural residents, businesses, and community leaders that effective transportation is vital to attaining social, economic, and environmental objectives.

The range of transportation responsibilities also differs from state to state. Typically states have direct responsibility for 10 to 20 percent of the roads in their state and for rural transit systems. However, this varies widely. State responsibility for other transportation services varies considerably as well. States might own and operate airports or be involved in planning them. Railroads and pipelines are generally private although a few state programs aid branch/short line railroads. Some states support commuter rail programs; others are responsible only for highways, transit and aviation.

The Federally-mandated Transportation Planning Process

The transportation planning process can best be described as the "gateway" for accessing Federal-aid highway and transit funding. It enhances the quality and scope of the information on which elected officials and policy makers can base their decisions regarding transportation investments and helps ensure better, more informed decision making.

Current law recognizes that rural officials are the decision makers closest to rural transportation problems. Their involvement in the transportation planning process is paramount for a collaborative and coordinated resolution of rural transportation issues and problems. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) required, for the first time, the establishment of a statewide transportation planning process. It also required that Federally-funded transportation projects be planned and approved through that process. The recently enacted Transportation Equity Act for the 21st Century (TEA-21) continues the requirement for a statewide transportation planning process. It also places even greater emphasis on the involvement of rural local officials in the statewide planning process, including involvement in the selection of projects. States now are required to document their process for involving local officials.

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) rely on the statewide transportation planning process as the primary mechanism for cooperative decision making. This means that local officials and those who anticipate using Federal transportation funds must be involved in the planning process.

The State has the major role in statewide transportation planning

Within these broad requirements, each state has developed its own process for transportation planning and for making transportation decisions. In some states, the legislature is involved in approving capital investment programs; others have independent entities (commissions, boards, authorities, etc.) that are responsible for transportation decisions. In all cases, elected officials at the local, regional, or state level need good information on which to base their decisions, and the planning process should provide this while recognizing the differing requirements of each state.

Those directly engaged in the transportation planning process at the state level are required to produce two major products — the transportation plan and the statewide transportation improvement program (STIP):

1. The transportation plan is a long range (at least 20 years), multi-modal future vision for the mobility of goods and people. The plan considers factors that may affect or be affected by local and regional transportation investments.

2. The transportation improvement program is a short term (usually 3 years) list of projects to be financed in part with Federal funds. The program is financially constrained, which means that it cannot include projects that exceed the anticipated funding available to a state.

TEA-21 consolidated the sixteen planning factors enumerated under ISTEA into the following seven broad areas:

- Support the economic vitality of the United States, the states, and metropolitan areas, especially by enabling global competitiveness, productivity, and efficiency;

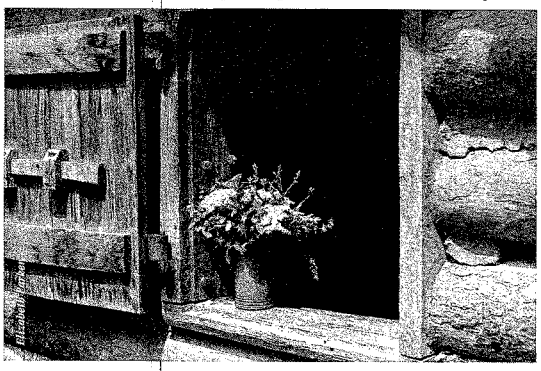
- Increase the safety and security of the transportation system for motorized and non-motorized users;

- Increase the accessibility and mobility options available to people and for freight;

- Protect and enhance the environment, promote energy conservation, and improve quality of life;

- Enhance the integration and connectivity of the transportation system, across and between modes throughout the state, for people and freight;
- Promote efficient system management and operation; and
- Emphasize the preservation of the existing transportation system.

Since the passage of ISTEA in 1991, states have become more involved in comprehensive transportation planning, including the development of multi-modal transportation plans. As a result, many states are now engaged in activities, such as rural freight issues, for which they previously had little or no responsibility. Because the statewide planning process is continuing to evolve, many states are looking at ways to "re-engineer" their transportation planning and programming processes. They are determining what decisions should be made at the state level and what should be decided at the regional level — for rural as well as metropolitan areas.



Rural transportation planning differs by area and circumstance

A variety of existing planning techniques have the potential for being useful in rural transportation planning. However, their effectiveness will depend to a great degree on the local circumstances within which they are applied. Rural transportation planning is relatively new, not only to those traditionally involved in transportation planning — State DOTs, MPOs, transit operators, etc., but also to those not traditionally involved in transportation planning — rural local governments and planning organizations, Indian tribal governments, the Bureau of Indian Affairs, and others.

Some areas have formal rural regional planning organizations, while in others, transportation planning is done by the state or by individual local governments, often in coordination with the state. Engagement of a variety of rural interests is essential to addressing all rural transportation issues. For example, resolving agricultural related transportation issues requires input from the agricultural transportation community, Involving economic development agencies and other established planning entities in planning and investment decisions also can enhance rural transportation planning.

Transportation planning can be the means for resolving rural transportation and economic planning and development related issues and improving our Nation's position in the global economy. It is the "gateway" to shaping the investment decisions for most of the program funds described in this brochure. Local officials need to be involved in the transportation planning process if they are to have any influence over the use of Federal transportation funding. To initiate that involvement, local officials should contact their State Department of Transportation, Transportation Agency, the Federal Highway Administration Division Office or the Federal Transit Administration Regional Office.

PROMOTING *and Improving* SAFETY

The importance of transportation safety in rural areas: Promoting and improving safety is our highest priority. We will continue to have a strong focus on highway safety, in particular, because about 94 percent of all transportation-related fatalities and injuries involve highway motor vehicle crashes. Rural America has a significant highway safety problem. Close to 80 percent of the Nation's roadway miles are in rural areas; over 58 percent of the total fatalities occur in rural areas and the fatality rate for rural areas (per 100 million vehicles miles of travel) is more than twice that of urban areas. Crashes in rural areas are more likely to result in fatalities due to a combination of factors including extreme terrain, faster speeds, more alcohol involvement, and the longer time intervals from the advent of a crash to medical treatment due to delays in locating crash victims and the distance to medical treatment centers.

Among the priority safety areas for the Department of Transportation are reducing single-vehicle run-off-road fatal crashes — two-thirds of which occur in rural areas. Many of these fatal crashes take place on two-lane rural roads and involve vehicles striking fixed objects, or going down an embankment or into a ditch. Speeding is another factor in many run-off-the road rural crashes.

Additionally, priority programs to increase seat belt use and reduce alcohol-impaired driving nationwide will have a major influence on reducing highway fatalities and injuries in rural areas. For example, the

Presidential Initiative to Increase Seat Belt Use nationwide has set a goal of 85 percent usage by the year 2000 and 90 percent by the year 2005. A national usage rate of 90 percent, among front seat occupants of all passenger vehicles, would result in the prevention of an estimated additional 5,500 deaths and 130,000 serious injuries annually.

The Department also will focus on safety of bicycling and walking because these are prevalent methods of transportation in some rural areas. They constitute a safety problem — 35 percent of the bicyclists' fatalities were in rural areas and although fewer pedestrians are injured in rural areas than in urban areas, they are more likely to result in fatalities largely because of the time it takes to get to a hospital.

Continued reductions in the aviation accident rate, during a period of rapid growth in air travel, remain a primary task of the Department. Efforts to reduce highway-railway grade crossing crashes also are continuing.

SAFE
Communities

Safe Communities Program

The U.S. Department of Transportation has made a clear commitment to the philosophy that communities are in the best position to affect transportation-related safety problems. The Safe Communities program approach represents a new way for communities to establish and manage safety programs. Four characteristics define the Safe Communities approach: data analysis and linkage (where possible), citizen input and involvement in setting priorities, integrated and comprehensive injury control system and expanded partnerships. Since its inception in 1996 to the present, more than 450 Safe Communities have been established — virtually every state in the union is participating in the program. The Department's goal is to have 600 Safe Communities by 1999 and 1,000 by the year 2000.

The Safe Communities Memorandum of Understanding

Nine agencies within the U.S. Department of Transportation — the National Highway Traffic Safety Administration, Federal Highway Administration, Federal Railroad Administration, Federal Transit Administration, Federal Aviation Administration, United States Coast Guard, Research and Special Projects Administration, Maritime Administration and Bureau of Transportation Statistics — have banded together to promote the development of Regional Intermodal Safe Communities programs and implement a safer national transportation system by combining the best injury prevention practices into Safe Communities to serve as model programs throughout the Nation.

The Safe Communities Services

(Web site: http://www.nhtsa.dot.gov/safecommunities)
(e-mail: Safe.Communities@nhtsa.dot.gov)
(phone: (817) 978-3653)

The U.S. Department of Transportation Service Center was opened in August 1997, and has

responded to thousands of requests for information, special assistance and materials related to Safe Communities. The bi-monthly Building Safe Communities Newsletter and the Service Center bulletin and the Center's Web site keep transportation safety and injury control advocates across the country updated on all the latest developments needed to build Safe Communities.

SURFACE TRANSPORTATION SAFETY GRANT *Programs*

Our highway safety programs focus on three key areas: driver behavior, road design, and vehicle standards. There are no safety programs devoted specifically to rural areas; instead, all the Department's safety grant programs are available for safety problems nationwide. The following is a discussion of the major surface transportation safety grant programs.

State and Community Highway Safety Grants

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_402.htm)

Purpose: The purpose is to support a broad range of state highway safety programs designed to reduce traffic crashes, fatalities, and injuries.

Eligible projects: Eligible projects include behavioral and highway safety projects to reduce deaths and injuries caused by exceeding posted speed limits; encourage proper use of occupant protection devises; reduce alcohol and drug-impaired driving; reduce crashes between motorcycles and other vehicles; reduce school bus crashes; improve police traffic services; improve emergency medical services and trauma care systems; increase pedestrian and bicyclist safety; improve traffic record systems; and improve roadway safety. Grant allocations are determined on the basis of a statutory formula; at least 40 percent must be used to address local traffic safety problems. Beginning in FY 1998, the apportionment to the Bureau of Indian Affairs increased from one-half of one percent to no less than three-quarters of one percent. The Federal share is 80 percent. To be eligible, a state must submit a Performance Plan establishing goals and performance measures to improve highway safety, and a Highway Safety Plan describing activities to achieve those goals.

Contacts: State Governors' Highway Safety Representatives.

Funding: Funding is $932.5 million for FYs 1998 - 2003. This program merges The Intermodal Surface Transportation Efficiency Act's separate Federal Highway Administration 402 and National Highway Traffic Safety Administration 402 authorizations into one authorization for roadway and behavioral safety projects.

Intoxicated Driver Prevention Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_163.htm)

Purpose: The purpose of this incentive program is to prevent operation of motor vehicles by those who are intoxicated by rewarding states that enact

and enforce a law providing that any person with a blood alcohol concentration of 0.08 percent or greater, while operating a motor vehicle in the state, shall be deemed to have committed a per se offense of driving while intoxicated.

Eligible projects: Eligible projects include any project eligible for assistance under Title 23. The Federal share is 100 percent.

Contacts: State Governors' Highway Safety Representatives.

Funding: A total of $500 million for incentive grants is available for FYs 1998 - 2003. Grants are based on the amount a state receives under the Section 402 Highway Safety Program.

Alcohol-impaired Driving Countermeasures Incentive Grants

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_410.htm)

Purpose: The purpose is to encourage states to adopt and implement programs to reduce traffic safety problems resulting from individuals driving while under the influence of alcohol.

Eligible projects: Eligible projects are those that implement and enforce impaired driving countermeasure programs. The Federal share is up to 75 percent in the first and second years in which a state receives a grant, 50 percent in the third and fourth years, and 25 percent in the fifth and sixth years. Applicants are those states that adopt and implement specific laws and programs to reduce impaired driving as specified by law.

Contacts: State Governors' Highway Safety Representatives.

Funding: Funding is $219.5 million for FYs 1998 - 2003.

Safety Incentive Grants for Use of Seat Belts

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_157.htm)

Purpose: The purpose is to reduce motor vehicle deaths and injuries and their related medical costs through incentives to states to increase seat belt use.

Eligible projects: Eligible projects include any project eligible for assistance under Title 23. The Federal share is determined by the requirements of the program for which the funds are used.

Contacts: State Governors' Highway Safety Representatives.

Funding: Funding of $500 million is authorized for FYs 1999 - 2003 and is available for use by states that meet certain rates of seat belt use.

Occupant Protection Incentive Grants

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_405.htm)

Purpose: The purpose is to encourage states to adopt and implement effective programs to reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles.

Eligible projects: Eligible projects are those that implement and enforce occupant protection programs. The Federal share is up to 75 percent in the first and second years in which a state receives a grant, 50 percent in the third and fourth years and 25 percent in the fifth and sixth years.

Contacts: State Governors' Highway Safety Representatives.

Funding: Funding of $68 million is authorized for FYs 1999-2003 for states that adopt and implement specific occupant protection laws and programs as specified by law.

State Highway Safety Data Improvement Incentive Grants

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/n_411.htm)

Purpose: The purpose is to improve state highway safety data that is needed to identify safety priorities and evaluate the effectiveness of improvements, to link state data systems, and to improve compatibility of data systems.

Eligible projects: Eligible projects include those that implement data improvement programs. The Federal share is up to 75 percent in the first and second years in which a state receives a grant, 50 percent in the third and fourth years and 25 percent in the fifth and sixth years. States must meet specified criteria.

Contacts: State Governors' Highway Safety Representatives.

Funding: Funding is $32 million for FYs 1999 - 2002.

Highway Infrastructure Safety

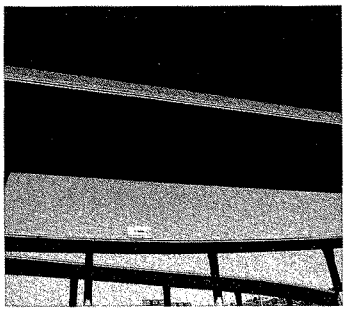
(Web site: http://www.fhwa.dot.gov/tea21/factsheets/isfty.htm)

Purpose: The purpose is to fund activities for safety improvement projects to correct hazardous locations and to eliminate hazards at rail-highway grade crossings.

Eligible projects: Program elements include the following:

The Surface Transportation Program Set Aside:

It includes the Hazard Elimination Program that provides funds to resolve safety problems at hazardous locations and sections, and for roadway elements that may constitute a danger to motorists, pedestrians, and bicyclists, and the Railway/ Highways Crossing Program which is designed to fund safety improvements to reduce the number of fatalities,



injuries, and crashes at public grade crossings. Under TEA-21, project eligibility was broadened to include off-roadway and bicycle safety improvements and the Hazard Elimination Program was opened to Interstates, any public transportation facility, and any public bicycle or pedestrian pathway or trail.

Operation Lifesaver:

Operation Lifesaver is a public information and education program designed to eliminate collisions, deaths and injuries at public and private grade crossings and on railroad rights-of-way.

Railway-Highway Crossing Hazard Elimination in High-Speed Rail Corridors:

This is a grade crossing safety program for certain elements of specified high-speed rail corridors. Funds will be spent on improvements in five existing corridors and six new corridors (three specified in TEA-21 and three to be selected by the Secretary in accordance with criteria).

Funding: Funding for the STP Safety Set Aside is a 10 percent set aside for safety from the Surface Transportation Program which totals approximately $3.7 billion for FYs 1998 - 2003. Funding for Operation Lifesaver is $500,000 per year from the STP set aside. Funding for the Railway-Highway Crossing Hazard Elimination in Highway-Speed Rail Corridors is $5.25 million per year from the STP set aside and an additional $15 million per year is authorized to be appropriated from General Funds.

Contacts: State Transportation Agencies.

Intelligent Transportation Systems

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/its.htm)

Purpose: The purpose of the Intelligent Transportation Systems (ITS) is to encourage the application of advanced sensor, computer, electronics, and communications technologies and management strategies in an integrated manner to increase the safety and efficiency of the surface transportation system. The ITS Integration Program funds grants to states and local jurisdictions for the deployment of integrated ITS systems.

Eligible Activities: A broad range of ITS activities may be funded through the regular surface transportation programs. The focus of ITS for rural areas is primarily on reducing the number of single vehicle crashes on rural roads, improved emergency response to crashes, traveler information for tourists and other rural travelers, and improved access to transit services for rural residents. Activities in the rural ITS program include a significant research program, a series of field operational tests, various outreach activities, and a deployment incentive grant program.

Contacts: State Transportation Agencies.

Funding: Funding for ITS research and development is $603 million for FYs 1998 - 2003 and for ITS deployment incentives, the total is $679 million. In addition to funds authorized specifically for ITS, both NHS and STP funds may be used for infrastructure-based ITS capital improvements and Congestion Mitigation and Air Quality Improve-

ment funds may be used to improve traffic flow that contributes to air quality improvements. Transit funds may also be used for ITS.

Motor Carrier Safety Assistance Program (MCSAP)

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/mcs.htm)

Purpose: The purpose is to improve motor carrier safety.

Eligible projects: Eligible projects include strategic safety investments to improve motor carrier safety, with an emphasis on program flexibility and innova-

tive approaches to tailor solutions to particular motor carrier safety problems.

Contacts: State Transportation Agencies.

Funding: Funding is $579 million for FYs 1999 - 2003.

PIPELINES

One-call Notification

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/onecall.htm)

Purpose: The purpose is to reduce unintentional damage to underground facilities, along with the attendant risks to the public and to the environment, during excavation. It encourages states to establish or improve one-call notification systems. Such notification systems receive notification from excavators of their intent to excavate in a certain area and notify underground facility operators so that they may mark their lines to prevent damage.

Eligible projects: Eligible projects include establishment or improvement of one-call notification systems. Eligibility depends upon appropriate participation by all underground facility operators and excavators, and flexible and effective enforcement under state law.

Contacts: State Transportation Agencies.

Funding: Authorizations are provided, subject to appropriation, for grants totaling $1 million in FY 2000 and $5 million in FY 2001.

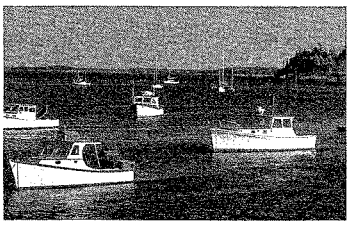
BOATING

Recreational Boating Safety

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/rbs.htm)

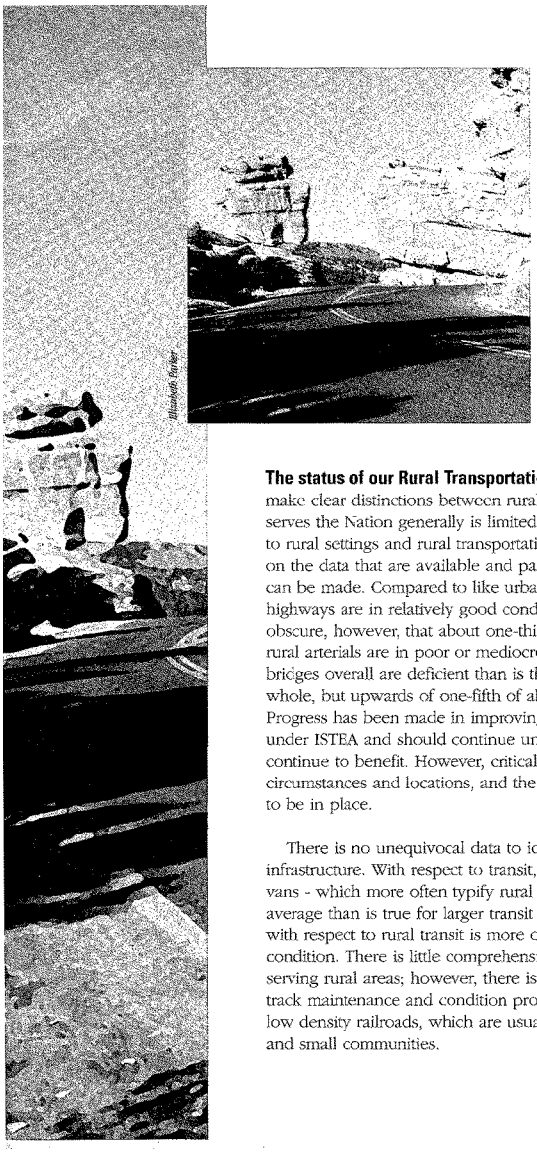
Purpose: The purpose is to assist the states and U.S. Territories with programs to protect recreational boaters.

Eligible projects: Eligible projects include facilities, equipment, and supplies for boating safety education and law enforcement, training personnel in skills related to boating safety and enforcement, providing public boating safety education, acquiring, constructing or repairing public access sites used primarily by recreational boaters, conducting boating safety inspections, establishing and maintaining emergency or search and rescue facilities, and establishing and maintaining waterway markers. There are a number of state eligibility requirements, such as the requirement to have a vessel numbering system.



Contacts: State Transportation Agencies.

Funding: The Recreational Boating Safety program is an appropriated budget authority program subject to annual appropriations.



PROVIDING *Mobility and* REBUILDING *America's* INFRASTUCTURE

The status of our Rural Transportation Infrastructure: The ability to make clear distinctions between rural infrastructure and that which serves the Nation generally is limited by an absence of data unique to rural settings and rural transportation services. Nonetheless, based on the data that are available and partial evidence, some observations can be made. Compared to like urban roadways, rural roads and highways are in relatively good condition overall. This should not obscure, however, that about one-third of rural interstates and other rural arterials are in poor or mediocre condition. Similarly, fewer rural bridges overall are deficient than is the case for the Nation as a whole, but upwards of one-fifth of all rural bridges are deficient. Progress has been made in improving highway and bridge conditions under ISTEA and should continue under TEA-21, and rural areas will continue to benefit. However, critical problems can arise in specific circumstances and locations, and the ability to deal with them needs to be in place.

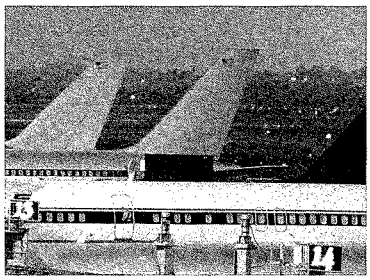
There is no unequivocal data to identify rural transit or railroad infrastructure. With respect to transit, slightly fewer small buses and vans - which more often typify rural transit vehicles - are overage on average than is true for larger transit vehicles. However, the problem with respect to rural transit is more often level of service than vehicle condition. There is little comprehensive condition data for railroads serving rural areas; however, there is information suggesting growing track maintenance and condition problems with the short-line and low density railroads, which are usually associated with rural areas and small communities.

Like transit, rural aviation is largely a service, rather than infrastructure, concern since airport capacity is not often a limitation in smaller communities. As important freight movers, both pipelines and inland waterways provide essential service in rural areas, particularly in the case of waterways which are frequently used to transport agricultural exports. In both instances, the maintenance of the infrastructure is most often the key issue.

AVIATION Programs

Aviation Planning

Airport planning may be done on an areawide or individual airport basis, with input from local officials. Areawide planning includes preparation of airport system plans for states, regions and metropolitan areas. These plans identify the aviation facilities needed to meet current and future air



transportation needs. Grants for airport system planning are made to planning agencies having areawide jurisdiction over the area being studied. The Federal Aviation Administration (FAA) uses this information in preparing the National Plan of Integrated Airport Systems.

Airport Improvement Program

Purpose: The purpose is to promote the development of a system of airports to meet the Nation's air needs.

Eligible projects: Eligible projects include airport system and master plans; construction, expansion or rehabilitation of runways, taxiways, and aprons; items necessary for safety or security; navigational aids; on-airport roadways; limited terminal development; land acquisition, and noise control. These funds may be used for noise compatibility planning and other projects to mitigate adverse noise and environmental impacts, including projects for small commercial and General Aviation airports.

Applicants include owners/operators of public-use airports included in the National Plan of Integrated Airports Systems (3,344 airports of which 2,472 are general aviation airports). A public-use airport is an airport open to the public and publicly owned, or privately owned but designated by FAA as a reliever, or privately owned but having scheduled service and at least 2,500 annual enplanements.

Contacts: State Transportation Agencies.

Funding: Funding totals $1.7 billion for FY 1998. For rural areas, in addition to providing funds for commercial service airports, a portion of the discretionary program is set aside for general aviation. For FY 1998, that amounts to approximately $200 million.

Essential Air Service

(Web site: http://ostpxweb.dot.gov/aviation/)

Purpose: The Department guarantees scheduled passenger air service at many small communities throughout the United States.

Eligible projects: Eligible projects include subsidies to air carriers where necessary to ensure that such service is provided. Eligible communities are specified by law. Currently, the Department subsidizes scheduled air service in approximately 100 communities, including 26 in Alaska, that would otherwise receive no scheduled air service.

Contacts: U.S. DOT, Office of Aviation Analysis, (202) 366-1053.

Funding: Congress provided $50 million for the essential air service (EAS) program in fiscal year

1999 and each succeeding year and removed the program's previous sunset date of September 30, 1998.

SURFACE TRANSPORTATION PLANNING, TRAINING, AND *Technical Assistance*

Statewide Planning

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/statepla.htm)

Purpose: The statewide planning process establishes a cooperative, continuous, and comprehensive framework for making surface transportation investment decisions throughout the state and is administered jointly by the Federal Highway Administration and the Federal Transit Administration.

Eligible Activities: Eligible projects include statewide surface transportation planning projects.

Contacts: State Transportation Agencies

Funding: A two percent takedown of state apportionments for the Interstate Maintenance, National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement, and Bridge Rehabilitation and Replacement Programs provides funding for statewide planning. This takedown averages $481.5 million per year for FYs 1998 - 2003, for a total of $2,888.8 million. Of the amounts set aside by the takedown, 25 percent must be used for research, development, and technology transfer activities. Statewide planning also is an eligible activity for additional funding under the NHS and STP programs.

Additional funding for statewide planning is authorized from the Mass Transit Account of the Highway Trust Fund. The amount from the Mass Transit Account is guaranteed. FTA state transportation planning funding authorizations, however, may vary annually depending upon the amount of the non-guaranteed funds, authorized to be appropriated from the General Fund, that Congress actually appropriates.

Guaranteed transit funding for statewide planning averages $10.5 million per year, for a total of $62.9 million from FYs 1998 - 2003. If Congress appropriates all the transit authorizations for statewide surface transportation planning, the average would rise to $15.4 million per year for the 6-year period.

Local Technical Assistance Program (LTAP) and Tribal Technical Assistance Program (TTAP)

Purpose: As the primary transportation information resource for local and tribal governments, the Local Technical Assistance Program (LTAP) provides access to technical assistance, training, and information on new transportation technologies. Technology transfer activities are made available through a variety of projects including services provided by its network of 57 LTAP centers. Centers are located in each state and Puerto Rico; and six Tribal Technical Assistance Program centers (TTAP) serve the needs of tribal governments. The LTAP assists local and tribal governments in developing well-trained and motivated staffs, resulting in an improved transportation network that helps sustain rural economics.

Eligible projects: Each LTAP or TTAP Center director has the flexibility to tailor the program for local needs. Responsibilities include conducting training, delivering technical assistance, and publishing newsletters. The centers publish quarterly newsletters and maintain comprehensive mailing lists of rural, local, and tribal officials with transportation responsibilities. Centers adapt a mix of technology transfer and marketing tools to meet their localities' unique circumstances.

Contacts: LTAP centers located in each state and Puerto Rico and the TTAPs.

Funding: Funding is $51 million for FYs 1998 - 2003. Support for the centers also comes from State Departments of Transportation, the Bureau

of Indian Affairs, universities, local agencies, and funds designated by state legislation.

Rural Transit Assistance Program (RTAP)

Purpose: The purpose is to provide resources for training, technical assistance, research, and related support services to support rural transit providers.

Eligible projects: Eligible projects include activities that support rural transit providers with training and technical assistance, research, and related support services. Each state gets an annual allocation of funds for RTAP that can be used for projects such as newsletters, training courses, scholarships for training, and circuit riders. In addition, RTAP funds are used for a national project that supports the state RTAP managers, maintains a rural transit database, produces training modules, and provides a rural transit resource center. There is no local share requirement.

Contacts: State Transportation Agencies.

Funding: Funding is $30.75 million for FYs 1998 - 2003. Funds are allocated to each state by formula, but the minimum amount for a state is $65,000.

SURFACE TRANSPORTATION CONSTRUCTION *Programs*

(Web Site: http://www.fhwa.dot.gov/tea21/index.htm)

The Transportation Equity Act for the 21st Century (TEA-21) substantially increased investment in core programs that are available for rural and urban areas through states and metropolitan planning organizations:

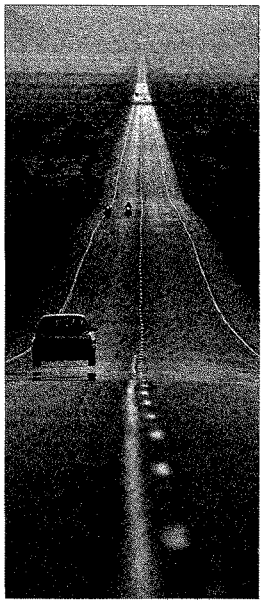
The National Highway System (NHS)

Purpose: The National Highway System (NHS) is composed of 163,000 miles of rural and urban roads that are to serve major population centers. The 46,000 mile Interstate System retains its separate identify within the NHS. The NHS program provides funding for improvements to rural and urban roads that are part of the NHS, including the Interstate System and designated connections to major intermodal terminals.

Eligible Projects: In addition to NHS roads, including the Interstate, eligible projects were expanded by TEA-21 to include natural habitat mitigation, publicly-owned intracity and intercity bus terminals, and infrastructure-based intelligent transportation system capital improvements.

Contacts: State Transportation Agencies.

Funding: It is funded at $28.6 billion for FYs 1998 - 2003. Funds are distributed based on a formula that includes each state's lane-miles of principal arterials (excluding the Interstate), vehicle-miles traveled on those arterials, diesel fuel used on the state's highways and per capita principal arterial lane-miles.



The Interstate Maintenance Program

Purpose: The Interstate Maintenance Program provides funding for resurfacing, restoring, rehabilitating, and reconstructing (4R) most routes on the Interstate System.

Eligible Projects: TEA-21 expanded eligible projects to include reconstruction.

Contacts: State Transportation Agencies.

Funding: It is funded at $23.8 billion for FYs 1998 - 2003. Funds are distributed based on each state's lane-miles of Interstate routes open to traffic, vehicle-miles traveled on those Interstate routes, and contributions to the Highway Account of the Highway Trust Fund attributable to commercial vehicles.

The Surface Transportation Program (STP)

Purpose: The Surface Transportation Program (STP) provides flexible funding that may be used by states and localities on projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and public bus terminals, and facilities.

Eligible Projects: TEA-21 expanded and clarified eligible projects to include several environmental provisions, modification of sidewalks to meet the Americans with Disabilities Act, infrastructure-based intelligent transportation systems capital improvements, and privately owned intercity bus terminals and facilities. Of the amount available to the states, the state is required to use a certain amount (based on FY 1991 Federal-aid Secondary program funding) in areas with a population of less than 5,000. This amount is about $590 million per year. A new provision, enacted in TEA-21, allows up to 15 percent of this amount to be spent on roads functionally classified as rural minor collectors.

Ten percent of the funds distributed to the states is set aside for safety construction activities (discussed under the safety programs) and another 10 percent is set aside for transportation enhancements (discussed under the community and environmental programs).

Contacts: State Transportation Agencies.

Funding: The STP is funded at $33.3 billion over the six-year period. Funds are distributed among the states based on each state's lane-miles of Federal-aid highways, total vehicle-miles traveled on those Federal-aid highways, and estimated contributions to the Highway Account of the HTF.

Bridge Replacement and Rehabilitation: Off System Bridges

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/bridge.htm)

Purpose: The purpose is to replace or rehabilitate deficient highway bridges and to seismic retrofit bridges located on any public road.

Eligible projects: Eligible projects include bridges on public roads. At least 15 percent, but not more than 35 percent, of a state's apportionment must be used for public bridge projects that are not on Federal-aid roads (off-system bridges).

Contacts: State Transportation Agencies.

Funding: Funding is $20.4 billion for FYs 1998 - 2003. The 15 percent set aside requirement translates into about $470 million annually for off-system bridges for FYs 1999 - 2003, but the requirement can be waived if it is determined that this expenditure is not needed. The set aside for high-cost bridges is retained, but the set asides for timber bridges and Indian Reservation Road bridges have been eliminated.

Federal Lands Highways

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/fedland.htm)

Purpose: The purpose is to provide funding for more than 80,000 miles of federally-owned and public-authority owned roads and transit facilities that serve Federal lands. They include the following categories: Indian Reservation Roads, Park Roads and Parkways, Public Lands Highways (discretionary and Forest Highways), and (Wildlife) Refuge Roads.

Eligible projects: Eligible projects include:

- Planning, research, engineering, construction, and reconstruction of public roads or highways;
- Transit facilities;
- Any Title 23 transportation project providing access to or within Federal or Indian lands;
- Transportation planning for tourism and recreational travel that benefits recreational development;
- Adjacent vehicular parking, interpretative signage, acquisitions of necessary scenic easements and scenic or historic sites, construction and reconstruction of roadside rest areas, and other appropriate public road facilities such as visitor centers;

- State/Local match for Interstate Maintenance, National Highway System, Surface Transportation Program, Congestion Mitigation and Air Quality Improvement funded projects; and
- Construction of pedestrian walkways and bicycle transportation facilities in conjunction with Federal Lands projects as determined by the appropriate Federal Land Management agency and/or Indian tribal government.

Funds can be used to pay 100 percent of the eligible costs.

Contacts: State Transportation Agencies.

Funding: Funding is $4,066 million for FYs 1998 - 2003.

Emergency Relief

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/er.htm)

Purpose: The purpose is to assist state and local governments with the cost of repairing serious damage to Federal-aid highways and roads on Federal Lands caused by natural disasters or catastrophic failures from an external cause.

Eligible projects: Eligible projects include only emergency repairs to restore essential highway traffic, to minimize damage or to protect the remaining facility and make permanent repairs.

Contacts: State Transportation Agencies.

Funding: Funding is $100 million annually for FYs 1998 - 2003.

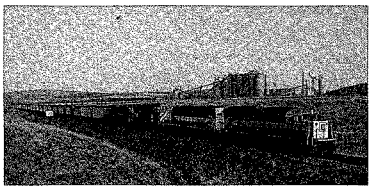
RAIL Programs

Rail Rehabilitation and Improvement Financing — Loan and Loan Guarantee Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/r-rrehab.htm)
http://www.fra.dot.gov/doc/rdv/rrif981112.htm)

Purpose: The railroad rehabilitation and improvement financing program provides credit assistance, through direct loans and loan guarantees, to public or private sponsors of intermodal and rail projects for railroad capital improvements.

Eligible projects: Eligible projects include acquisition, development, improvement or rehabilitation of intermodal or rail equipment or facilities including track, bridges, yards, buildings and shops. Eligible applicants for assistance include state or local governments, government sponsored authorities and corporations, shippers, railroads, and joint ventures including at least one railroad.



Contacts: U.S. Department of Transportation, Office of Railroad Development, (202) 493-6379.

Funding: No direct Federal funding is authorized, but the Secretary is authorized to accept a cash payment from a non-Federal source to cover the estimated long-term costs to the Government of a loan or loan guarantee. The cost payment is called a credit risk premium. The aggregate unpaid principal amounts of obligations for direct loans and loan guarantees cannot exceed $3.5 billion at any one time, of which not less than $1 billion shall be available solely for other than Class 1 carriers.

Light Density Rail Line Pilot Projects

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/r-ltdens.htm)

Purpose: The purpose is to fund light density rail line pilot projects.

Eligible projects: Eligible projects include capital improvements and rehabilitation of publicly and privately owned rail line structures. Funds may not be used for operating assistance. Eligible applicants are states that have state rail plans.

Contacts: U.S. Department of Transportation, Office of Railroad Development, (202) 493-6379.

Funding: Funding is a total of $105 million for FYs 1998 - 2003, and this amount must be appropriated from the General Fund.

TRANSIT *Programs*

Financial Assistance for Other than Urbanized Areas

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/nonurbfg.htm)

Purpose: The purpose is to provide transit in non-urbanized areas.

Eligible projects: Eligible projects include transit capital, operating, and project administration expenses and state administration, for rural transit. Service must be available to the general public. Intercity bus service in rural areas also is eligible. Coordination with human service transportation is encouraged. The Federal share generally is 80 percent for capital and 50 percent for operating assistance. Contract revenue from human service agencies may be used for the local match.

Contacts: State Transportation Agencies.

Funding: Funding is a total of $1.18 billion for FYs 1998 - 2003.

Grants and Loans for Special Needs of Elderly Individuals and those with Disabilities

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/elderfg.htm)

Purpose: The purpose is to help provide transit capital assistance, through states, to organizations

that provide specialized transportation service for elderly individuals and those with disabilities.

Eligible projects: Eligible projects include transit capital assistance to private nonprofit agencies, and public bodies under certain circumstances, for transportation service for the elderly and individuals with disabilities. In addition to the purchase or lease of vehicles and related equipment, capital projects also may include preventive maintenance and purchase of transportation service. The Federal Share is generally 80 percent.

Contacts: State Transportation Agencies.

Funding: Funding is a total of $456 million for FYs 1998 - 2003.

Rural Transportation Accessibility Incentive Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/rtaccess.htm)

Purpose: The purpose is to help over-the-road bus operators finance the incremental capital and training costs of complying with the Department's final rule on accessibility of over-the-road buses.

Eligible projects: Eligible projects include the incremental costs of ADA accessibility for operators of over-the-road buses in intercity fixed-route service and other service such as local fixed route, commuter, charter and tour service. There is a competitive grant selection process.

Contacts: Federal Transit Administration Regional Offices.

Funding: Funding is $24.3 million for FYs 1999 - 2003.

Transit Capital Investment Grants and Loans Program (Bus and Bus Related)

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/trcap.htm)

Purpose: The purpose is to provide capital support for transit infrastructure.

Eligible projects: Eligible projects include bus and bus-related projects, such as vehicles and maintenance facilities. The Federal share is 80 percent for all projects except those needed to comply with the Clean Air Act Amendments and the Americans with Disabilities Act, which are funded at 90 percent.

Contacts: State Transportation Agencies and local public bodies.

Funding: Funding is $3.55 billion for FYs 1998 - 2003. Of this, at least 5.5 percent ($195 million) must be spent for projects in other than urbanized areas. Historically, the percentage allocated to non-urbanized areas has been much higher than 5.5 percent.

Transit Benefits

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/trbenefit.htm)

The Internal Revenue Code is modified to make transit and vanpool benefits more comparable with employee parking benefits by increasing the limit on non-taxable transit and vanpool benefits from $65 to $100 per month beginning after December 31, 2001. In addition, transit and vanpool benefits may be offered in lieu of compensation payable to an employee beginning in 1998.

SPECIAL PURPOSE *Programs*

Job Access and Reverse Commute

(Web site: http://www.fta.dot.gov/wtw/)

Purpose: The purpose is to develop transportation services to assist welfare recipients and low-income individuals in getting to and retaining jobs.

Eligible projects: Projects must result from a collaborative transportation/human services planning process and be targeted at filling gaps in the transportation system for low income individuals. Job Access projects are intended to develop new or expanded services, and Reverse Commute projects provide transportation services to suburban employment locations for all populations. The maximum DOT share is 50 percent, but other Federal transportation-eligible funds may be used as part of the match.

Contacts: Local governments.

Funding: Funded is authorized at $750 million for FYs 1999 - 2003. Twenty percent of the funds are to be used in non-urbanized areas.

On- the-Job Training Supportive Services

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/ojtss.htm)

Purpose: The purpose is to provide job opportunities through training, particularly for minorities and women.

Eligible projects: Eligible projects include such services as pre-employment counseling and basic skills improvement. States have the opportunity to reserve slots for welfare recipients.

Contacts: State Transportation Agencies.

Funding: Funding is a set aside of not more than one-half of one percent of a state's Surface Transportation Program and Bridge Program funding.

Appalachian Development Highway System

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/appal.htm)

Purpose: The purpose is to build the congressionally-authorized 3,025-mile Appalachian Development Highway System — a four-lane highway. Close to 80 percent is complete or under construction, but much of the remaining 649 miles will be among the most expensive to build. The completion of the System remains a top priority for the Appalachian Regional Commission.

Eligible projects: Eligible projects include projects on Appalachian Development Highway System. The Federal share is 80 percent.

Contacts: The 13 eligible states.

Funding: Funding is $450 million per year beginning in FY 1999, for a total of $2,250 million for FYs 1999 - 2003. Funds are apportioned among the 13 states based on the latest cost to complete estimate for the Appalachian Development Highway System.

Ferry Boats and Terminals

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/ferry.htm)

Purpose: The purpose is provide support for ferry boats and ferry terminal facilities that are publicly-owned, publicly-operated, or majority publicly-owned and provide substantial public benefit.

Eligible projects: Eligible projects include construction of ferry boats and ferry terminal facilities. The Federal share is 80 percent.

Contacts: State Transportation Agencies.

Funding: Funding is a total of $220 million for FYs 1998 - 2003, but $20 million per year is set aside for NHS ferry facilities. Ferry service that meets the definition of mass transit continues to be eligible for funding under various FTA programs, including Formula Grants for Other than Urbanized Areas.

National Historic Covered Bridge Preservation

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/hiscovbr.htm)

Purpose: The purpose is to preserve and rehabilitate historic covered bridges.

Eligible projects: Eligible projects include rehabilitation or repair of historic covered bridges (those that are listed or eligible for listing on the National Register of Historic Places) and preservation of historic covered bridges, including installation of fire protection systems or systems to prevent vandalism and arson. Relocation of a bridge to a preservation site also is eligible. The Federal share is 80 percent.

Contacts: State Transportation Agencies.

Funding: Funding is $10 million per year for a total of $50 million from the General Fund for FYs 1999 - 2003. Funds must be appropriated before they are available.

The National Corridor Planning and Development Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/border.htm)

Purpose: The purpose of the National Corridor Planning and Development Program is coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade.

Eligible projects: Eligible projects include the 21 corridors identified in ISTEA, the 8 added in the 1995 National Highway Designation Act, and the 14 added by TEA-21, as well as other corridors based upon specified selection criteria. It can be used for:

(1) planning, coordination, design and location studies;

(2) environmental review and construction (after review of a corridor development and management plan); and

(3) a corridor management plan.

The Federal share for projects is 80 percent (sliding scale applies). Corridor planning should be coordinated with transportation planning agencies of state, metropolitan, and Federal land management, tribal government, and Mexican and Canadian agencies, as appropriate.

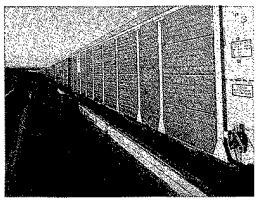
Contacts: States transportation agencies and metropolitan planning organizations.

Funding: Funding for corridors and borders (described below) is combined. The level is $140 million for FYs 1999 - 2003, for a total of $700 million.

The Coordinated Border Infrastructure Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/border.htm)

Purpose: The purpose of the Coordinated Border Infrastructure Program is to improve the safe movement of people and goods at or across the border between the United States and Canada and the border between the United States and Mexico.



Eligible projects: The Coordinated Border Infrastructure Program is limited to the borders. The Federal share for projects is 80 percent (sliding scale applies).

Contacts: Border states and MPOs.

Funding: Funding for corridors (described above) and borders is combined. The level is $140 million for FYs 1999 - 2003, for a total of $700 million.

MARITIME Programs

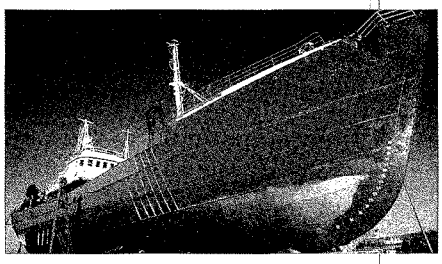
Vessel Construction and Shipyard Modernization Loan Guarantees

(Web site: http://marad.dot.gov/information/title_xi_info.html)

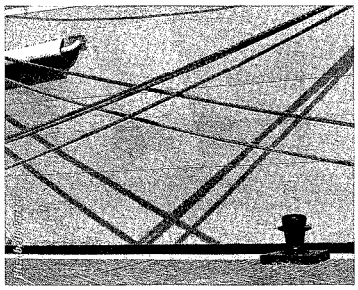
Purpose: The primary purpose of the program is to promote the growth and modernization of the U.S. merchant marine (including the inland and domestic fleet) and U.S. Shipyards (i.e. shipyards located within the U.S.). The Program enables owners of eligible shipyards to obtain long-term financing with attractive terms.

Eligible Projects: Vessels eligible for new construction loan guarantee assistance generally include commercial vessels such as: passenger, bulk, container, cargo, tankers, tugs, towboats, barges, dredges, oceanographic research, floating power barges, offshore oil rigs and support vessels, and floating dry-docks.

Shipyard modernization generally includes projects involving proven technology, techniques and processes to enhance the productivity and quality of shipyards, novel techniques and processes designed to improve shipbuilding and related industrial production which advances the U.S. shipbuilding state-of-the-art.



Contacts: U.S. Department of Transportation, Maritime Administration, Director, Office of Ship Financing, 400 Seventh Street, SW, Room 8122, Washington, DC 20590 (202) 366-5744.



Funding: At the close of FY 1998, vessel loan guarantees in force aggregated approximately $2.9 billion covering approximately 731 vessels and 95 individual shipowners. Funding for projects is subject to annual appropriations pursuant to the Federal Credit Reform Act.

Vessel Construction Reserve Fund

Purpose: The Construction Reserve Fund (CRF) encourages upgrading of the American-flag fleet on our inland waterways and coastwise trades. The program allows eligible parties to defer taxation of capital gains on the sale or other disposition of a vessel if net proceeds are placed in a CRF and reinvested in a new vessel within 3 years.

Eligible Projects: Vessel owners eligible for the CRF include all privately owned vessels mentioned under the loan guarantee program. Vessel operators building vessels for the U.S. foreign trade, Great Lakes non-contiguous offshore trade (e.g. between the West Coast and Hawaii) and the fisheries of the United States can use the similar Capitol Construction Fund (CCF) program instead of the CRF. Both programs are administered by the Maritime Administration.

Contacts: U.S. Department of Transportation, Maritime Administration, Director, Office of Ship Financing, 400 Seventh Street, S.W., Room 8122, Washington, D.C. 20590 (202) 366-5744.

Roy Wolf

ENHANCING OUR *Communities* AND PROTECTING *Our* ENVIRONMENT

The Rural Environment: Rural areas and small communities are facing many environmental challenges similar to those faced by our cities — challenges that are the inevitable byproduct of growing travel demand, increased sprawl and dispersed destinations. The challenge is to maintain the vitality of these rural areas and small communities while preserving and protecting the natural, historic, scenic, and cultural environment, including productive rural working farmlands. Improvements in air and water quality not only have positive environmental benefits, but also recreational and economic benefits as well, particularly for those areas largely dependent upon tourism.

The Department has a wide range of programs directed specifically toward protecting and enhancing communities and the natural environment affected by transportation. In addition, many of the other transportation programs listed elsewhere in this brochure have environmental components. These programs are significant in preserving our quality of life and protecting the environment.

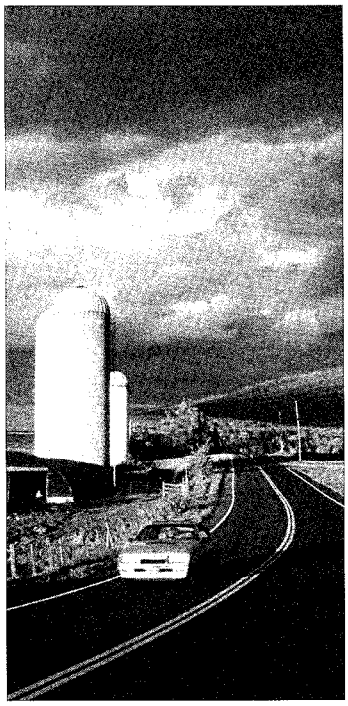
COMMUNITY AND ENVIRONMENTAL PROGRAMS

Congestion Mitigation and Air Quality Improvement Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/cmaq.htm)

Purpose: The purpose is to fund projects for areas that do not meet the National Ambient Air Quality Standards (nonattainment areas) and former nonattainment areas that are now in compliance (maintenance

areas) for ozone, carbon monoxide, and small particulate matter. Funding is to help meet the requirements of the Clean Air Act.



Eligible projects: Eligible projects include those that will reduce transportation-related emissions, such as transit improvements, travel demand management strategies, traffic flow improvements, and public fleet conversions to cleaner fuels.

Contacts: State Transportation Agencies.

Funding: Funding is $8.122 billion for FYs 1998 - 2003. Funding is based on a formula that considers population by county and the severity of air quality problems. Also, there is a one-half of one percent minimum for each state.

Transportation Enhancements

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/te.htm)

Purpose: The purpose is to fund transportation-related activities designed to strengthen cultural, aesthetic, and environmental aspects of the Nation's transportation system.

Eligible projects: Eligible projects must be related to surface transportation and include a wide variety of projects that enhance transportation.

Contacts: State Transportation Agencies.

Funding: Funding is from a 10 percent set aside from the Surface Transportation Program, or approximately $3.7 billion (including equity adjustments) for FYs 1998 - 2003.

Bicycle Transportation and Pedestrian Walkways

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/b-ped.htm)

Purpose: The purpose is to promote the increased use and safety of bicycling and walking as transportation modes.

Eligible projects: Bicycle and pedestrian projects may be on- or off-road facilities. For off-road trails, all such facilities should serve a transportation function; a trail serving a recreational purpose with no transportation function is a recreational trail (described below). Individuals and organizations interested in initiating a project should first gain support of local governments. The next step is to work with the State transportation agencies to determine eligibility, availability of funds, and priority. The projects must be included in the State Transportation Improvement Program (STIP).

Contacts: State Transportation Agencies.

Funding: Funding sources for construction of bicycle transportation facilities, pedestrian walkways and non-construction projects related to safe bicycle use include the National Highway System (NHS), Surface Transportation Program (STP) Funds, Transportation Enhancement Activities (ten percent of each State's

annual STP funds), Congestion Mitigation and Air Quality Improvement (CMAQ) Program Funds, Hazard Elimination, Recreational Trails, Scenic Byways and Federal Lands Highway Funds.

Recreational Trails Program

(Web site: http://www.fhwa.dot.gov/tea21/factsheets/rec-trl.htm)

Purpose: The purpose is to provide and maintain recreational trails and trail-related facilities for both motorized and non-motorized recreational trail uses.

Eligible projects: Eligible projects include: maintenance and restoration of existing trails, development and rehabilitation of trailside and trailhead facilities and trail linkages, purchase and lease of trail construction and maintenance equipment, construction of new trails (with restrictions for new trails on Federal lands), acquisition of easements or property for trails, state administrative costs related to this program (limited to seven percent of a state's funds), and operation of educational programs to promote safety and environmental protection related to trails (limited to five percent of a state's funds). Funds may not be used for property condemnation or constructing new trails for motorized use on National Forest Service or Bureau of Land Management lands unless the project is consistent with resource management plans or facilitating motorized access on otherwise non-motorized trails.

The maximum Federal share from this program is 80 percent, but Federal agency project sponsors may provide additional Federal share (up to 95 percent), and other Federal programs may be used toward the non-Federal share. Soft match provisions are allowed. Of funds distributed to a state, 30 percent must be used for motorized use, 30 percent must be used for non-motorized use, and 40 percent for diverse trail uses. States may provide grants to private organizations, or to municipal, county, state, or Federal government agencies. Some states, by policy, do not provide funds to private organizations. Projects on private land must provide written assurances of public access.

Contacts: State Transportation Agencies.

Funding: A total of $270 million is authorized for FYs 1998 - 2003.

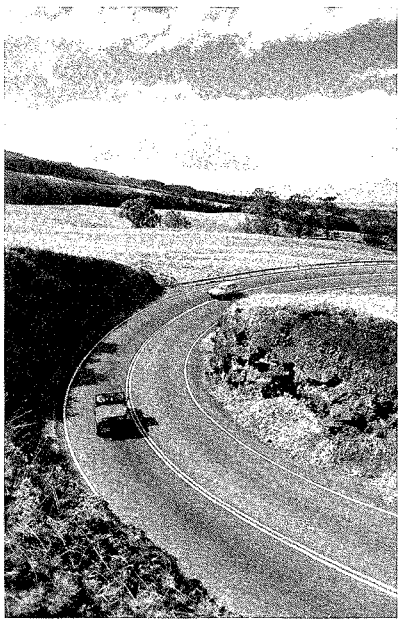
National Scenic Byways Program

(Web sites: http://www.fhwa.dot.gov/tea21/factsheets/scenic.htm, and http://www.byways.org)

Purpose: The purpose of The National Scenic Byway Program is to provide national recognition of roads that represent outstanding examples of scenic, historic, cultural, recreational, and natural qualities as well as to provide technical and financial assistance.

Eligible projects: Eligible projects include technical assistance and grants for the purposes of developing scenic byway programs and undertaking

related projects along roads designated as National Scenic Byways, All-American Roads, or State Scenic Byways. National Scenic Byways and All-American Roads are roads that have been designated under the National Scenic byways programs for their outstanding scenic, historic, cultural, natural, recre-



ational, and archaeological qualities. State Scenic Byways can be designated in accordance with criteria developed by the state. Eligible projects include corridor management plans, safety improvements, and certain facilities along the scenic byways such as passing lanes and overlooks.

The maximum Federal share of this program is 80 percent. A Federal land management agency may use funds authorized for use by the agency as the non-Federal share for any scenic byways project along a public road that provides access to or within Federal or Indian land.

Contacts: State Transportation Agencies.

Funding: Financial assistance is provided through reimbursable discretionary grants. Funding is $148 million for FYs 1998 - 2003.

Transportation and Community and System Preservation Pilot

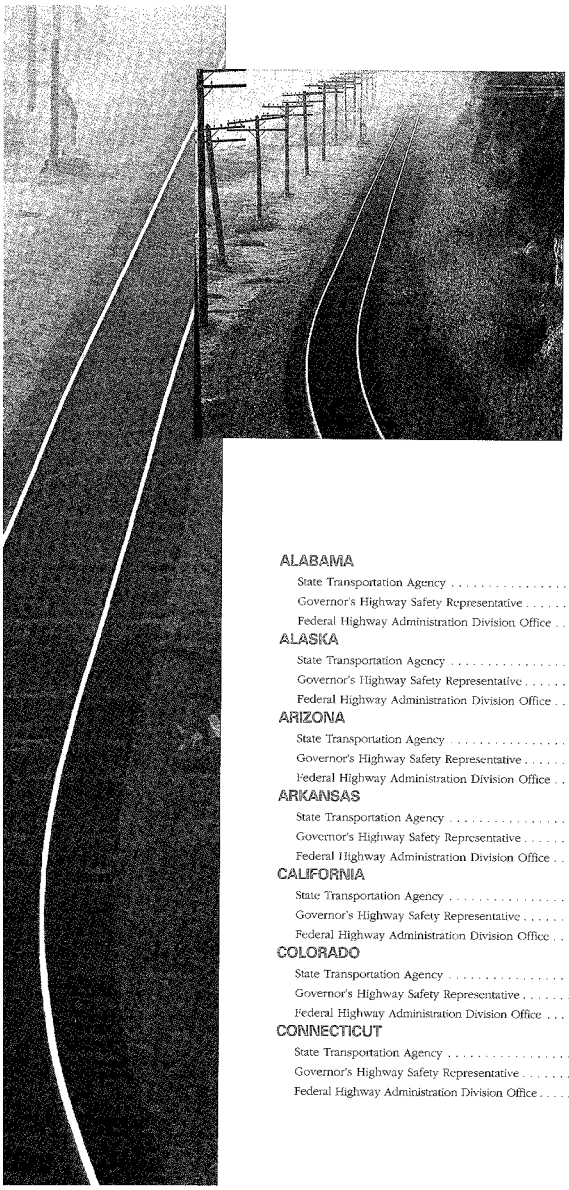
(Web site: http://www.fhwa.dot.gov/tea21/factsheets/t-c-sp.htm)

Purpose: The Transportation Equity Act for the 21st Century established the Transportation and Community and System Preservation Pilot Program (TCSP) in response to the increasing interest in 'smart growth' policies that encourage investments in maintenance of existing infrastructure over new construction, investment in high-growth corridors, and efficient access to jobs and services. The key purpose of this pilot program is to devise neighborhood, local, metropolitan, state, or regional strategies that improve the efficiency of the transportation system, minimize environmental impacts, and reduce the need for costly public infrastructure investments.

Eligible projects and activities: Funds may be used for planning grants or implementation grants for any project currently eligible for funding under the highway or transit titles (Title 23 and Chapter 53 of title 49 U.S.C.) or other activities determined by the Secretary to be appropriate to investigate and address the relationship between transportation and community and system preservation. Applicants may include states, metropolitan planning organizations, and units of local governments that are recognized by a state.

Contacts: State Transportation Agencies and metropolitan planning organizations.

Funding: Funding is $20 million for FY 1999 and $25 million per year for FYs 2000 through 2003.



PROGRAM *Appendix* CONTACTS

STATE *Contacts*

ALABAMA

State Transportation Agency . . . . . (334) 242-6312
Governor's Highway Safety Representative . . . . . (334) 242-8672
Federal Highway Administration Division Office . . . . . (334) 223-7370

ALASKA

State Transportation Agency . . . . . (907) 465-3900
Governor's Highway Safety Representative . . . . . (907) 465-4374
Federal Highway Administration Division Office . . . . . (907) 586-7180

ARIZONA

State Transportation Agency . . . . . (602) 255-7011
Governor's Highway Safety Representative . . . . . (602) 255-3216
Federal Highway Administration Division Office . . . . . (602) 379-3646

ARKANSAS

State Transportation Agency . . . . . (501) 569-2000
Governor's Highway Safety Representative . . . . . (501) 569-2211
Federal Highway Administration Division Office . . . . . (501) 324-5625

CALIFORNIA

State Transportation Agency . . . . . (916) 654-5266
Governor's Highway Safety Representative . . . . . (916) 262-0990
Federal Highway Administration Division Office . . . . . (916) 498-5014

COLORADO

State Transportation Agency . . . . . (303) 757-9011
Governor's Highway Safety Representative . . . . . (303) 757-9206
Federal Highway Administration Division Office . . . . . (303) 969-6730

CONNECTICUT

State Transportation Agency . . . . . (860) 594-3000
Governor's Highway Safety Representative . . . . . (860) 594-2370
Federal Highway Administration Division Office . . . . . (860) 659-6703

DELAWARE

State Transportation Agency. . . . . (302) 739-4303
Governor's Highway
Safety Representative . . . . . (302) 739-4321
Federal Highway Administration
Division Office . . . . . (302) 734-5323

DISTRICT OF COLUMBIA

State Transportation Agency. . . . . (202) 939-8000
Governor's Highway
Safety Representative . . . . . (202) 939-8000
Federal Highway Administration
Division Office . . . . . (202) 523-0163

FLORIDA

State Transportation Agency. . . . . (850) 414-5200
Governor's Highway
Safety Representative . . . . . (850) 922-5820
Federal Highway Administration
Division Office . . . . . (850) 942-9579

GEORGIA

State Transportation Agency. . . . . (404) 656-5200
Governor's Highway
Safety Representative . . . . . (404) 656-6996
Federal Highway Administration
Division Office . . . . . (404) 562-3630

HAWAII

State Transportation Agency. . . . . (808) 587-2150
Governor's Highway
Safety Representative . . . . . (808) 587-2150
Federal Highway Administration
Division Office . . . . . (808) 541-2700

IDAHO

State Transportation Agency. . . . . (208) 334-8000
Governor's Highway
Safety Representative . . . . . (208) 334-8807
Federal Highway Administration
Division Office . . . . . (208) 334-1690

ILLINOIS

State Transportation Agency. . . . . (217) 782-2632
Governor's Highway
Safety Representative . . . . . (217) 782-4972
Federal Highway Administration
Division Office . . . . . (217) 492-4640

INDIANA

State Transportation Agency. . . . . (317) 232-5526
Governor's Highway
Safety Representative . . . . . (317) 232-2588
Federal Highway Administration
Division Office . . . . . (317) 226-7475

IOWA

State Transportation Agency. . . . . (515) 239-1101
Governor's Highway
Safety Representative . . . . . (515) 281-5104
Federal Highway Administration
Division Office . . . . . (515) 233-7300

KANSAS

State Transportation Agency. . . . . (785) 296-3461
Governor's Highway
Safety Representative . . . . . (785) 296-3461
Federal Highway Administration
Division Office . . . . . (785) 267-7281

KENTUCKY

State Transportation Agency. . . . . (502) 564-4890
Governor's Highway
Safety Representative . . . . . (502) 695-6300
Federal Highway Administration
Division Office . . . . . (502) 223-6720

LOUISIANA

State Transportation Agency. . . . . (225) 379-1100
Governor's Highway
Safety Representative . . . . . (225) 925-6991
Federal Highway Administration
Division Office . . . . . (225) 389-0244

MAINE

State Transportation Agency. . . . . (207) 289-2551
Governor's Highway
Safety Representative . . . . . (207) 624-8756
Federal Highway Administration
Division Office . . . . . (207) 622-8487

MARYLAND

State Transportation Agency. . . . . (410) 859-7311
Governor's Highway
Safety Representative . . . . . (410) 333-1111
Federal Highway Administration
Division Office . . . . . (410) 962-4440

MASSACHUSETTS

State Transportation Agency . . . . . (617) 973-7000
Governor's Highway
Safety Representative . . . . . (617) 727-5073
Federal Highway Administration
Division Office . . . . . (617) 494-3657

MICHIGAN

State Transportation Agency . . . . . (517) 373-2090
Governor's Highway
Safety Representative . . . . . (517) 336-6477
Federal Highway Administration
Division Office . . . . . (517) 377-1844

MINNESOTA

State Transportation Agency . . . . . (612) 297-3000
Governor's Highway
Safety Representative . . . . . (612) 296-6642
Federal Highway Administration
Division Office . . . . . (612) 291-6100

MISSISSIPPI

State Transportation Agency . . . . . (601) 359-7001
Governor's Highway
Safety Representative . . . . . (601) 359-7880
Federal Highway Administration
Division Office . . . . . (601) 965-4215

MISSOURI

State Transportation Agency . . . . . (573) 751-2551
Governor's Highway
Safety Representative . . . . . (573) 751-5432
Federal Highway Administration
Division Office . . . . . (573) 636-7104

MONTANA

State Transportation Agency . . . . . (406) 444-6201
Governor's Highway
Safety Representative . . . . . (406) 444-3412
Federal Highway Administration
Division Office . . . . . (406) 449-5303

NEBRASKA

State Transportation Agency . . . . . (402) 471-4567
Governor's Highway
Safety Representative . . . . . (402) 471-3900
Federal Highway Administration
Division Office . . . . . (402) 437-5521

NEVADA

State Transportation Agency . . . . . (702) 888-7440
Governor's Highway
Safety Representative . . . . . (702) 687-5375
Federal Highway Administration
Division Office . . . . . (702) 687-1204

NEW HAMPSHIRE

State Transportation Agency . . . . . (603) 271-3734
Governor's Highway
Safety Representative . . . . . (603) 271-2131
Federal Highway Administration
Division Office . . . . . (603) 225-1605

NEW JERSEY

State Transportation Agency . . . . . (609) 530-3536
Governor's Highway
Safety Representative . . . . . (609) 633-9300
Federal Highway Administration
Division Office . . . . . (609) 637-4200

NEW MEXICO

State Transportation Agency . . . . . (505) 827-5100
Governor's Highway
Safety Representative . . . . . (505) 827-5110
Federal Highway Administration
Division Office . . . . . (505) 820-2021

NEW YORK

State Transportation Agency . . . . . (518) 457-4422
Governor's Highway
Safety Representative . . . . . (518) 474-0841
Federal Highway Administration
Division Office . . . . . (518) 431-4127

NORTH CAROLINA

State Transportation Agency . . . . . (919) 733-2520
Governor's Highway
Safety Representative . . . . . (919) 733-3083
Federal Highway Administration
Division Office . . . . . (919) 856-4346

NORTH DAKOTA

State Transportation Agency . . . . . (701) 328-2500
Governor's Highway
Safety Representative . . . . . (701) 328-2581
Federal Highway Administration
Division Office . . . . . (701) 250-4204

OHIO

State Transportation Agency. . . . . (614) 466-2335
Governor's Highway
Safety Representative . . . . . (614) 466-3383
Federal Highway Administration
Division Office. . . . . (614) 280-6896

OKLAHOMA

State Transportation Agency. . . . . (405) 521-2631
Governor's Highway
Safety Representative . . . . . (405) 425-2000
Federal Highway Administration
Division Office. . . . . (405) 605-6011

OREGON

State Transportation Agency. . . . . (503) 986-3200
Governor's Highway
Safety Representative . . . . . (503) 986-4190
Federal Highway Administration
Division Office. . . . . (503) 399-5749

PENNSYLVANIA

State Transportation Agency. . . . . (717) 787-5574
Governor's Highway
Safety Representative . . . . . (717) 787-6875
Federal Highway Administration
Division Office. . . . . (717) 221-3461

PUERTO RICO

State Transportation Agency. . . . . (787) 723-1390
Governor's Highway
Safety Representative . . . . . (787) 725-7112
Federal Highway Administration
Division Office. . . . . (787) 766-5600

RHODE ISLAND

State Transportation Agency. . . . . (401) 222-2481
Governor's Highway
Safety Representative . . . . . (401) 222-2481
Federal Highway Administration
Division Office. . . . . (401) 528-4541

SOUTH CAROLINA

State Transportation Agency. . . . . (803) 737-1130
Governor's Highway
Safety Representative . . . . . (803) 896-7839
Federal Highway Administration
Division Office. . . . . (803) 765-5411

SOUTH DAKOTA

State Transportation Agency. . . . . (605) 224-3265
Governor's Highway
Safety Representative . . . . . (605) 773-3178
Federal Highway Administration
Division Office. . . . . (605) 224-8033

TENNESSEE

State Transportation Agency. . . . . (615) 741-3011
Governor's Highway
Safety Representative . . . . . (615) 741-2848
Federal Highway Administration
Division Office. . . . . (615) 736-5394

TEXAS

State Transportation Agency. . . . . (512) 463-8585
Governor's Highway
Safety Representative . . . . . (512) 463-8616
Federal Highway Administration
Division Office. . . . . (512) 916-5511

UTAH

State Transportation Agency. . . . . (801) 965-4113
Governor's Highway
Safety Representative . . . . . (801) 965-4461
Federal Highway Administration
Division Office. . . . . (801) 963-0182

VERMONT

State Transportation Agency. . . . . (802) 828-2657
Governor's Highway
Safety Representative . . . . . (802) 244-1317
Federal Highway Administration
Division Office. . . . . (802) 828-4423

VIRGINIA

State Transportation Agency. . . . . (804) 786-2702
Governor's Highway
Safety Representative . . . . . (804) 367-6602
Federal Highway Administration
Division Office. . . . . (804) 281-5100

WASHINGTON

State Transportation Agency. . . . . (360) 705-7000
Governor's Highway
Safety Representative . . . . . (360) 753-5197
Federal Highway Administration
Division Office. . . . . (360) 753-9480

WEST VIRGINIA

State Transportation Agency. . . . . (304) 558-0444
Governor's Highway
Safety Representative . . . . . (304) 558-2723
Federal Highway Administration
Division Office. . . . . (304) 347-5928

WISCONSIN

State Transportation Agency. . . . . (608) 266-1113
Governor's Highway
Safety Representative . . . . . (608) 266-1113
Federal Highway Administration
Division Office. . . . . (608) 829-7500

WYOMING

State Transportation Agency. . . . . (307) 777-4484
Governor's Highway
Safety Representative . . . . . (307) 777-4450
Federal Highway Administration
Division Office. . . . . (307) 772-2101

DOT
REGIONAL
Contacts

Federal Aviation Administration Regional Offices (Airports Division)

New England
(CN, ME, NH, RI, VT) . . . . . (617) 238-7600
Eastern Region
(DE, MD, NJ, NY, PA, VA, WV). . . . . (718) 553-3331
Southern Region
(AL, FL, GA, KY, MS, NC,
PR, SC, TN, VI) . . . . . (404) 305-6700
Great Lakes Region
(IL, IN, MI, MN, ND,
OH, SD, WI) . . . . . (847) 294-7272
Central Region
(IA, KS, MO, NE) . . . . . (816) 426-4698
Southwest Region
(AR, LA, NM, OK, TX). . . . . (817) 222-5600
Northwest Mountain Region
(AK, CO, ID, MT, OR,
UT, WA, WY). . . . . (425) 227-2600
Western Pacific Region
(AZ, CA, HA, NV). . . . . (310) 725-3600
Alaska (AK) . . . . . (907) 271-5438

Federal Railroad Administration Regional Offices (Grade Crossing Management)

Region 1
(CT, MA, ME, NH, NJ,
NY, RI, VT). . . . . (617) 494-2302
Region 2
(DE, MD, OH, PA, VA, WV). . . . . (610) 521-8200
Region 3
(AL, FL, GA, KY, MS, NC,
SC, TN). . . . . (404) 562-3800
Region 4
(IL, IN, MI, MN, WI) . . . . . (312) 353-6203
Region 5
(AR, LA, NM, OK, TX). . . . . (817) 284-8142
Region 6
(CO, IA, KS, MO, NE). . . . . (816) 426-2497
Region 7
(AZ, CA, HA, NV, UT) . . . . . (916) 498-6540
Region 8
(AK, ID, MT, ND, OR,
SD, WA, WY). . . . . (360) 696-7536

National Highway Traffic Safety Administration Regional Offices

Region 1
(CT, MA, ME, NH, RI, VT). . . . . (617) 494-3427
Region 2
(NJ, NY, PR). . . . . (914) 682-6162
Region 3
(DE, DC, MD, PA, VA, WV) . . . . . (410) 962-0077
Region 4
(AL, FL, GA, KY, MS,
NC, SC, TN). . . . . (404) 562-3739
Region 5
(IL, IN, MI, MN, OH, WI) . . . . . (708) 503-8892
Region 6
(Indian Nation, AR, LA,
NM, OK, TX) . . . . . (817) 978-3653
Region 7
(IA, KS, MO, NE) . . . . . (816) 822-7233
Region 8
(CO, MT, ND, SD, UT, WY). . . . . (303) 969-6917
Region 9
(Amer Samoa, AZ, CA, Guam,
HA, Marianas, NV) . . . . . (415) 744-3089
Region 10
(AK, ID, OR, WA). . . . . (206) 220-7640

Federal Transit Administration Regional Offices

Region 1
(CT, MA, ME, NH, RI, VT) . . . . . (617) 494-2055
Region 2
(NJ, NY) . . . . . (212) 668 2170
Region 3
(DE, DC, MD, PA, VA, WV) . . . . . (215) 656-7100
Region 4
(AL, FL, GA, KY, MS,
NC, PR, SC, TN). . . . . (404) 562-3500
Region 5
(IL, IN, MI, MN, OH, WI) . . . . . (312) 353-2789
Region 6
(AR, LA, NM, OK, TX). . . . . (817) 978-0550
Region 7
(IA, KS, MO, NE) . . . . . (816) 523-0204
Region 8
(CO, MT, ND, SD, UT, WY). . . . . (303) 844-3242
Region 9
(AZ, CA, HA, NV). . . . . (415) 744-3133
Region 10
(AK, ID, OR, WA). . . . . (206) 220-7954

Maritime Administration Regional Offices

North Atlantic Region . . . . . (212) 264-1300
South Atlantic Region . . . . . (757) 441-6393
Great Lakes Region. . . . . (847) 298-4535
Central Region . . . . . (504) 589-2000
Western Region . . . . . (415) 744-3125

DOT HEADQUARTERS CONTACTS

Office of the Secretary

Transportation Policy . . . . . (202) 366-5407

Federal Aviation Administration

Airport Planning . . . . . (202) 267-3451
Airport Programs. . . . . (202) 267-9471

Federal Highway Administration

Program inquiries should be directed to the appropriate Division Office from the field contacts listed above.

Federal Railroad Administration

Grade Crossing Program . . . . . (202) 493-6288
Policy. . . . . (202) 493-6400
Railroad Development. . . . . (202) 493-6390

National Highway Traffic Safety Administration

Program inquiries should be directed to the appropriate Regional Office from the field contacts listed above.

Federal Transit Administration

Program inquiries should be directed to the appropriate Regional Office from the field contacts listed above.

Maritime Administration

Ports and
Domestic Shipping . . . . . (202) 366-4357
Ship and
Shipyard Financing. . . . . (202) 366-5744
Rural Programs . . . . . (202) 366-0760

ADDITIONAL SOURCES FOR INFORMATION ABOUT U.S. DEPARTMENT OF TRANSPORTATION *Programs*

U.S. Department of transportation:
(Web site: http:// www.dot.gov)

Safe Communities:
(Web site: http://www.nhtsa.dot.gov/safe communities)

Transportation Equity Act for the 21st Century (TEA-21):
(Web Site: http://www.fhwa.dot.gov/tea21/)

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