

OCTOBER 12, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 2228 - Public Works and Economic Development Act Amendments of 1976.

The Public Works and Economic Development Act of 1965 (PWEDA) provides authorizations for several loan and grant programs to assist chronically economically depressed areas. The Act authorizes the programs of the Economic Development Administration (EDA) in the Department of Commerce and the Regional Action Planning Commissions. Appropriations for these programs for fiscal year 1977 have already been enacted.

This bill (1) extends program authority for three years, through 1979; (2) substantially increases funding authorizations; and (3) adds new program authority.

Major provisions:

S. 2228 will:

- Authorize a total of \$4.7 billion for the three-year period from 1977 through 1979.
- Lower the population eligibility criterion for cities from 250,000 to 25,000.
- Establish a revolving loan fund program of interest free Federal loans for any qualified redevelopment area (currently there are 1,600 such areas). Loans from this program could be used for any type of activity related to economic development.
- Authorize a new program for the payment of an interest subsidy, of up to 4 percent, on business development loan guarantees, made under the current business loan program.
- Reestablish on a permanent basis the Job Opportunities program with a new "trigger" which authorizes \$81.3 million quarterly for areas of high unemployment whenever the national unemployment rate exceeds 7 percent.
- Raise the unemployment eligibility criterion under the Act from the current 6 percent for the preceding calendar year to any rate that is above the national average and at least 6 percent for the preceding 24 months.

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