

Testimony of Federal Co-Chair Chris Saunders
Northern Border Regional Commission
House Transportation and Infrastructure Committee
Subcommittee on Economic Development, Public Buildings, and Emergency Management
October 19, 2023

Mr. Chairman, Ranking Member Titus, Members of the Subcommittee, thank you for the invitation to appear before the Subcommittee today to discuss the impactful work of the Northern Border Regional Commission (NBRC).

This fall marks the fifteenth anniversary of the creation of our Commission by Congress as part of the 2008 Farm Bill. Thanks to the continued investment and support of Congress, NBRC has quickly matured into a significant contributor to the economic development ecosystem in the Northern Border Region.

As the NBRC was modeled on the Appalachian Regional Commission and the Delta Regional Authority, it will come as no surprise that everything the Commission does is rooted in partnership. We bring together the federal government and the leadership of our member states to utilize a regional lens to invest public dollars in local communities.

This model doesn't just invite collaboration, but requires it. We believe that in the ways in which we put this model into practice, we are fulfilling the vision laid out by Congress to serve as an integrator of resources and a collaborator between all levels of government; be they municipal, county, state or federal. The Commission is staffed by a dedicated team of professionals, who live and work in the communities they serve, and apply their knowledge and experience to shape the Commission's programs and operations.

Guiding this work is a vision that at its core, the mission of the NBRC is to build vibrant rural communities and provide for the well-being of the residents who live there. We put this vision into practice in a variety of different ways such as:

- **Centering the needs of rural communities** – The regional commission model is designed around the origination of projects at the local level. That is no different in the NBRC territory where we maintain a network of Local Development Districts that collaborate with municipalities and non-profits to develop and submit applications to the Commission for funding. The Commission continues to look for ways to prioritize delivering our funds to rural communities. We are pleased to share that in our latest grant round, of the 66 awards made, more than half were made to communities with under 5,000 people and just under half were made to communities who were first time NBRC applicants.¹
- **Embracing drivers of regional and local economies** – The core of the Commission's territory is shaped by an ecological zone known as the Northern Forest. Stretching across Northern Maine, New Hampshire, Vermont, and New York, the area represents one of the most densely forested regions in the country and at 26 million acres is the largest continuous forest east of the

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<https://www.nbrc.gov/userfiles/files/Announcements/NBRC%202023%20Catalyst%20Grant%20Awards%20Press%20Release%20-%20August%202023%20FINAL.pdf>

Mississippi. The economy and settlement patterns of the region were both shaped and defined by timber harvesting and paper making for nearly two centuries. The forest economy has experienced serious disruptions over the past three decades and supporting communities as they determine what the future of a forest economy means to them is a cornerstone of the Commission's work. In some communities this is supporting the commercialization of cross laminated timber utilizing local species such as hemlock, new wood fiber-based businesses such as new forms of insulation, or the residential and institutional conversion to modern wood heat. Other communities aim to diversify their local economy with many investing in their natural assets and outdoor recreation infrastructure. Accordingly, NBRC has recognized these areas as regional priorities, and developed programs focused on supporting these industries.

- **Investing in infrastructure** – Like many rural areas, our territory needs investment in public infrastructure that will facilitate additional private and public investments. Congress has recognized this should be a priority funding area for NBRC, stipulating in our statute that a minimum of 40 percent of our grant awards should be made to infrastructure projects. NBRC meets and exceeds this threshold with its investments across the region on an annual basis. In our latest round of Catalyst awards, which is funded in part by the Infrastructure Investment and Jobs Act (IIJA), 57 percent were made to projects classified as infrastructure.
- **Leveraging other sources of funding** – While NBRC requires a local match for its funding, the Commission has a strong track record of supporting projects that incorporate other funding sources. In NBRC's most recent Catalyst round, our funds were matched at a nearly 1:4 ratio, turning \$43.6 million of NBRC funding into \$208.5 million in total investment across our four-state region.²
- **Addressing the capacity gap in rural areas** – A limiting factor on the ability of many small communities to participate in federal grant programs is a lack of access to capacity, namely people and organizations who play a critical role in the planning, development, and execution of economic development initiatives. The Commission operates a State Capacity Grant program as authorized in statute, that builds human capacity at the statewide level as well as at local organizations and technical assistance providers. The resources offer communities assistance and guidance in developing their project ideas and with understanding the requirements of applying for awards and successfully administering them once received. A number of our peer commissions have strong programs in this area and we continue to look to their experiences and lessons to better serve our region.
- **Responding to emerging needs** – Additionally, the Commission evaluates what role it should play in addressing obstacles that limit economic opportunity in rural areas. Increasingly both housing and access to health care have emerged as significant priorities for many rural communities. While the Commission is able to fund projects in both of these areas, we are actively considering how to best leverage our resources in order to complement, and not replicate, the work of other agencies. One such strategy is establishing a J-1 Visa Waiver

² Id.

program that will allow for the recruitment of foreign-born physicians trained in the United States to rural areas. Another has been to contributing to the creation of new housing in the region by funding the water and wastewater infrastructure needed for these developments to move forward.

Each of these points illustrate a way in which the Commission is maximizing its unique structure as a regional agency to the benefit of rural areas. Looking beyond the broad themes of our work, I am happy to offer some specific project examples that highlight how this work plays out in practice.

In our most recent Catalyst round, the Commission awarded \$2.25 million to the Town of Killington, Vermont. While the town is well known as a ski destination, the majority of visitors to the area, and many neighboring residents, are less familiar with the ways in which failing infrastructure has inhibited economic growth, impaired drinking water, and have contributed to outmigration and a falling population in the county. The Commission's investment in public water and road infrastructure will help the town address a water supply contaminated by PFAS and make critical safety upgrades to a highly traveled roadway. The public investment of funds is the cornerstone to facilitating development of hundreds of housing units and nearly \$285 million in private investment. These plans have been decades in the making and will now become a reality in part because of the Commission's investment.

Nearly every community and business the Commission engages with raises workforce development as a challenge to economic growth. In the summer of 2022 NBRC awarded \$285,000 to the North Country Chamber of Commerce located in Plattsburgh, New York for an important workforce development project. Many of our communities are seeking ways to bolster domestic manufacturing and this project is providing trainees with the skills required to obtain a welding job at a number of North Country-based manufacturing employers. By aggregating the needs of multiple local manufacturers, and providing training at no-cost, this project offers just one example of the ways in which NBRC is helping to address both short and long-term workforce needs of the employers in our region.

Economic development in rural areas often looks very different than it does in cities. One city block may be completely transformed over the course of one year with one large project. In contrast, the development of one building on a rural main street might take an entire year, if not longer. Rural communities often need to stitch together multiple sources of patient capital to undertake one project, but once completed that successful project can have a catalyzing impact on an entire town.

Such is the case with the redevelopment of the Parker Noyes Building in Lancaster, New Hampshire undertaken by the Northern Forest Center. An award from NBRC was a small portion of the capital stack assembled to renovate this cornerstone block in downtown Lancaster in order to transform it into a local food hub and six market-rate apartments. The redevelopment has sparked follow-on private investment on Lancaster's Main Street, with multiple other properties being purchased with the goal of renovating them into mixed-use developments. NBRC's investment played a small but meaningful role in ensuring the project could move forward, ultimately fostering increased economic development in the town.

These three examples demonstrate the different ways rural communities utilize NBRC's flexible funding to achieve their aims. As the Commission continues its existing programs, we are also actively planning for the future. The Commission is part way through the writing of a new strategic plan that will help shape our work over the next five years. This work will complement the input and direction we get from our partners in Congress.

Earlier this year a bi-partisan group of Representatives introduced H.R 4188, the Northern Border Regional Commission Reauthorization Act of 2023. The bill has been cosponsored by nearly every Member of Congress from districts representing counties included in the Commission territory. We appreciate the work that has gone into drafting this legislation and its companion bill, S.292, introduced and cosponsored by the Senators from our region. The proposed reauthorization contains a handful of administrative provisions with the objective of streamlining the Commission functions, and a few additional investment areas and provisions that mirror the statues of our peer commissions designed to make federal funds more accessible to resource-limited communities.

We look forward to working with Congress and am pleased to answer questions regarding the Commission's work to better our region. Thank you again for the opportunity to testify and I look forward to your questions.

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