

Commerce - Industry - business development funds

COMMERCE & INDUSTRY - business development funds

February 21, 1978

The Honorable Robert T. Hall  
Assistant Secretary  
Economic Development Administration  
Washington, D.C. 20230

Dear Mr. Hall:

I am writing in support of two firms in my district that have recently submitted applications for business development funds. Each proposal would significantly increase meaningful employment opportunities in labor market areas with consistently high unemployment rates.

5.5M.

If approved, the Purity Supreme Supermarkets would expand their distribution center in North Billerica, Massachusetts, from its present 350,000 sq.ft. to some 580,000 sq.ft. The expansion would create 150 permanent jobs at wage rates of \$4.00 to \$9.00 per hour. Tyer Industries Inc., a group of Tyer Rubber Company employees, would purchase the Tyer Rubber Division in Andover, Massachusetts, from the ELTRA Corporation. The parent company is attempting to dispose of this division which could lead to the dislocation of the present 70 to 80 employees. On the other hand, the Tyer Industries' proposal would not only preserve present jobs; it would add some 30 to 40 positions. Also, the proposal includes renovation of vacant mill space to attract new and expanding firms.

direct loan  
15% APD  
35% BANK  
50% EDA

Unfortunately, both companies have received a letter from Mr. John E. Corrigan indicating that while the proposals meet EDA criteria, they cannot be considered due to a lack of funding. I understand that a supplemental budget request of \$117 million has been submitted to the Congress. If this request is approved, I would appreciate information on the amount to be allocated to Region 1 for business development programs and of the chances for funding of the two proposals versus other pending applications. Also, please inform me of the method for determining each region's allocation and of the procedures, if any, to recapture unused funds for reallocation to regions with applications which exceed fund availability.

\$1.5M  
loan  
9AM,  
EDA  
to BANK

Sincerely,

PAUL E. TSONGAS  
Member of Congress

PET/dsj  
cc: Mr. John E. Corrigan