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EDA's Role in Developing Blue Economies

In recent years, Congress has considered legislation to advance regional economic development in marine and coastal areas as one of several types of blue economy policies. Definitions of the term *blue economy* vary. In economic development, the term generally encompasses a range of activities centered on the sustainable use of marine and coastal resources for economic growth or development. This In Focus highlights legislation in the 118th and 119th Congresses relevant to the U.S. Economic Development Administration's (EDA's) role in developing blue economies and examples of EDA assistance for blue economy development projects, as well as policy considerations. For additional definitions and a detailed analysis of blue economy considerations involving other federal departments and initiatives, see CRS In Focus IF12188, *What Is the Blue Economy?*

Blue Economy Development Projects

Blue economy development projects vary by location, industry concentrations, and site-specific circumstances. Typical projects involving construction activities include improvements to docks, harbors, piers, and infrastructure for industrial uses (such as for commercial fishing and recreation). Nonconstruction activities include efforts to expand certain industry sectors, such as aquaculture, fisheries, ports and shipping, irrigation, filtration, water-technology, offshore wind, and marine conservation. Nonconstruction activities have also included workforce training and projects to incentivize private investment, entrepreneurship, job creation, or industry "clusters" (i.e., groups of companies—including specialized companies and suppliers—and associated entities, such as universities and trade associations, in a particular field that may compete or cooperate with each other).

EDA Overview

EDA, within the U.S. Department of Commerce, is the only federal agency with economic development as its sole mission. EDA administers various programs that may be used to deliver community-level grants, which in turn may be used to assist blue economy development activities. (It does not provide direct assistance to businesses and individuals.) While EDA does not administer a program dedicated exclusively to promoting blue economies, its flexible programs have been used to provide assistance to regional blue economy development projects for over a decade. Furthermore, the EDA was reauthorized through recent legislation that not only defined *blue economy*, but also provided explicit authority for EDA to support blue economy projects through two long-standing programs, the Public Works and Economic Adjustment Assistance (EAA) programs.

In January 2025, the Economic Development Reauthorization Act (EDRA) of 2024—enacted as a part of

the Thomas R. Carper Water Resources Development Act of 2024 (P.L. 118-272)—reauthorized the EDA and defined the blue economy as the sustainable use of marine, lake, or other aquatic resources in support of economic development objectives. EDRA also authorized EDA to provide funding from its EAA program to communities injured by the loss of blue economy jobs, and consider efforts that may support outdoor recreation or blue economy activities when reviewing Public Works projects. For a detailed analysis of EDRA, see CRS Report R48516.

Select EDA Blue Economy Projects

Public Works and EAA Programs

The Public Works and EAA programs are designed to assist projects in economically distressed areas. Both may fund construction activities; the EAA program may also fund nonconstruction activities. The following are examples of Public Works and EAA grants for blue economy projects.

- In FY2024, EDA made an EAA grant to the City of King Cove, AK, for infrastructure improvements to expand the maritime sector in the region.
- In FY2017, EDA made a Public Works grant to the Rhode Island Department of Environmental Management for the rehabilitation of critical port infrastructure at the Port of Galilee in Narragansett, RI. The project was designed to support the region's fishing industry and create jobs.
- In FY2013, EDA made a Public Works grant for a pier expansion project in Gloucester, MA. The project was designed to support the region's commercial fishing businesses and diversify the regional economy.

Disaster Economic Recovery

At times, Congress has provided supplemental funding to EDA for long-term disaster recovery assistance for selected incidents. These appropriations typically specify an amount of funding and directs that it support areas with Stafford Act (42 U.S.C. §5121 et seq.) declarations from a specific time period. For instance, the American Relief Act, 2025 (P.L. 118-158) provided \$1.51 billion to EDA to support regions impacted by hurricanes, wildfires, severe storms and flooding, tornadoes, and other natural disasters in 2023 and 2024. Such disaster economic recovery funding is administered under the EAA program and could be used for various economic recovery projects, including economic diversification and blue economy development activities. For example, in FY2021, EDA made a \$13 million disaster economic recovery grant to establish the Marine Business, Research, and Innovation Center in Puerto Rico. The center is to provide technical assistance and other services to

agriculture-based businesses. In FY2020, EDA made a \$2 million disaster recovery grant to two nonprofit organizations for a strategic roadmap to strengthen Maine's marine economy and increase resiliency for future natural disasters. The funding helped create the Seafood Economic Accelerator in Maine.

Regional Innovation and Cluster Programs

EDA administers several programs that facilitate regional innovation generally, including the Regional Technology and Innovation Hubs (Tech Hubs) and the Build to Scale (B2S) programs. The Tech Hubs program was designed to support technology development and job creation and expand U.S. innovation capacity. The B2S program focuses on expanding innovation and entrepreneurship and increasing access to risk capital. Both programs have been used for blue economy projects. In FY2024, EDA awarded a Tech Hubs Strategy Development grant to the Ocean Tech Hub in Rhode Island and Massachusetts to develop strategies to expand prototyping and commercialization activities of ocean technology and access to digital and water-based testing facilities for entrepreneurs. In FY2020, EDA partnered with the U.S. Department of Energy to administer a one-time, targeted B2S competition—the Industry Challenge—to fund projects focused on advancing regional blue economies. The competition funded seven projects that assisted startups with the commercialization of marine technologies and innovation.

In FY2021, EDA used supplemental appropriations (P.L. 117-2) to administer the Build Back Better Regional Challenge (BBBRC), a competition designed to build regional industry clusters and strengthen regional economic resilience following the COVID-19 pandemic. In FY2022, EDA awarded a \$49 million BBBRC grant to the Alaska Mariculture Cluster to further develop the region's sustainable mariculture industry, including the production of shellfish and seaweed. EDA also provided the Rhode Island Blue Economy Technology Cluster (RIBETC) with a BBBRC technical assistance grant to support the development of RIBETC's plan to diversify the region's existing blue economy to include *blue tech* and ocean renewables.

Economic Development Revolving Loan Funds

For-profit businesses are ineligible for most EDA grant programs. However, businesses involved in the blue economy can receive loans through certain revolving loan fund (RLF) programs, which may be capitalized by the EDA's EAA program and other federal and state agencies. RLFs are often designed to target businesses in specific industries, geographic areas, or distressed communities, or to target the unmet needs of borrowers for products and services such as micro-loans or gap financing. A portion of EDA's BBBRC award to the Alaska Mariculture Cluster, for example, is intended to establish an RLF for businesses in the mariculture industry. RLFs are also designed to finance development initiatives, such as infrastructure and revitalization projects sponsored by local government or other entities.

Other EDA Programs

Blue economy projects could be considered for funding through other EDA programs such as Local Technical

Assistance (TA), which provides grants for management and technical services, including feasibility studies or impact analyses. In FY2013, EDA made a Local TA award for a study of the market potential of an urban industrial waterfront in Philadelphia, PA.

Policy Considerations

Federal, state, and local stakeholders often strive to balance efforts that both protect and develop natural resources while also supporting resident, business, and workforce interests. In June 2025 testimony to the House Natural Resources Committee, an industry witness remarked on a shift toward viewing fishermen as “small business leaders and rural economic drivers” while also building resiliency in marine and coastal regions. In developing federal economic development policies involving the blue economy, Congress may evaluate how certain priorities or strategies may represent competing or complementary interests in the blue economy context.

In light of recent changes to EDA's authorizing statute and the use of multiple EDA programs to support blue economy activities, Congress may continue to review how EDA policies may address such interests. Congress may encourage EDA to coordinate and consult with other federal agencies engaged in marine and coastal policies. Congress may also consider options to create new programs for specific blue economy activities (e.g., infrastructure, workforce, clusters) or to direct EDA to allocate funding for blue economy activities through existing program authorities. For instance, in report language accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42), Congress directed EDA to provide at least \$5 million—out of a total appropriation of \$468 million—to support the infrastructure of working waterfronts. Alternatively, as Congress considers annual appropriations, it may continue to provide funding that is broadly available for a range of activities and regional economies regardless of industry concentration or proximity to coastal or marine resources. Continued or expanded appropriations for EDA programs—regardless of activity or focus area—may represent a divergence from the Trump Administration's FY2026 discretionary funding request, which proposes to eliminate the EDA. The Administration also seeks to cancel \$185 million of unobligated and deobligated EDA balances from prior years.

Recent Legislation

In recent years, in addition to EDRA, Members of Congress have considered other bills designed to support blue economies through new and existing EDA programs and roles. For instance, in the 119th Congress, H.R. 1808 would authorize roles for EDA in a new federal task force and grant and loan programs for *working waterfronts*, and S. 1968 would authorize an EDA working waterfront grant and other programs and roles. In the 118th Congress, S. 3785 and H.R. 3873 would have authorized EDA and other agencies to provide grants for working waterfronts and Ocean Innovation Clusters, a type of industry cluster.

Julie M. Lawhorn, Analyst in Economic Development Policy

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