ADVOCATE

Ex-Congressman John Fleming settles into new role in Trump administration with eye on economic development

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July 5, 2019

WASHINGTON — John Fleming describes the goal in his new job in the Trump administration simply: "more jobs, better jobs and a higher standard of living in communities" that are economically disadvantaged.

The quote initially strikes as a pivot in priorities for the doctor-slash-former congressman from Louisiana's 4th Congressional district — an ultra-conservative lawmaker who largely built his political reputation off his staunch opposition to the federal Affordable Care Act and abortion rights.

But Fleming's now among the top-ranking officials from Louisiana serving in President Donald Trump's administration at the U.S. Commerce Department as assistant secretary for the Economic Development Administration — a role even he admits he wasn't expecting.

Nearly three years ago Fleming, R-Minden, gave up his seat in the U.S. House for an unsuccessful run for U.S. Senate — a race U.S. Sen. John Kennedy, R-Madisonville, ultimately won.

Fleming, 67, initially joined the Trump administration, less-surprisingly, early on in the U.S. Department of Health and Human Services as a deputy assistant secretary for technology.

"I was very interested in in that subject matter," he said, noting he was among the first private doctors in Louisiana to convert to a fully-paperless office two decades ago.

While in Congress, he made headlines for describing Obamacare as the "most dangerous law ever passed by Congress" and <u>once citing</u> a satirical article about a fictional Planned Parenthood "Abortionplex."

After Fleming spent two years working to modernize health technology on the federal level, the Trump administration pitched him the EDA administrator job (the Senate confirmed him in a 67-30 vote this spring).

"They offered it to me, and I thought about it, and I said, 'Well, gosh, that's what I've been doing — economic development," Fleming said in a recent interview. "Now, admittedly, I was

doing it for me and my family, but what a great opportunity to use my skills to do it for the community and the nation as a whole."

Fleming is also a successful businessman whose estimated net worth was nearly \$30 million when he left office in 2017, according to the Center for Public Integrity's analysis of personal financial disclosures. That wealth was boosted largely by investments in franchises and real estate, and it's when he's discussing the franchise empire he built in north Louisiana that Fleming comes across most at ease.

"Not a lot of attention has been paid to my business background — most people think of me as a doctor," Fleming said. "But I also had this secret, but not so secret, second career that began in 1985 when I opened the first Subway restaurant in north Louisiana."

At that time, Subway was an obscure eatery in Louisiana and most other parts of the country but has since become the world's most ubiquitous restaurant chain.

"It was a little-known company and nobody knew that it would become the giant that it is today," Fleming said. "I was intrigued by it and I liked the business model and the product was good. I opened the first one and just kept opening them up."

Fleming's company still runs many of the Subway sandwich shops across north Louisiana's Interstate 20 corridor from Shreveport to Monroe.

In the early 1990s, Fleming took another risk on franchising with another company that ultimately would pay off in a similar way when he linked up with Mail Boxes Etc. Fleming's company, already familiar with the franchise build-out process, served as the "boots-on-the-ground" for Mail Boxes Etc. franchises opening in Louisiana.

A decade later, Mail Boxes Etc., sold to UPS and has since become known as the UPS Store, now the world's largest retail shipping and business service franchiser. Fleming's company now shares interest in locations that stretch across Texas through Mississippi.

"I'm very interested in — always have been — in entrepreneurship," Fleming said. "One of the great qualities that America brings to the world is what it can do creating innovative goods and services that benefit people, create jobs and generate prosperity."

That view, he said, dovetails with what he hopes to accomplish with the U.S. Economic Development Administration.

"How can we bring these sort of concepts to blighted areas in cities in rural areas?" he said. "For some reason, the benefits of entrepreneurship have not come to certain areas of the country, and so the mission of EDA has been to provide some of the infrastructure — sometimes renewal and placement of a declining infrastructure — so that communities can revitalize their economy, bringing jobs back if they've been lost, or maintaining jobs if they're struggling but still there."

Not everyone is a fan of EDA's mission.

The <u>Washington-based Cato Institute</u>, a libertarian think tank, recommended in 2018 that the federal government abolish the program, concluding it adds to government bureaucracy.

"The EDA does not have any special abilities to revive growth that the states and private sector do not have," Cato's researchers wrote in their analysis. "A better way for distressed regions to spur growth is to reform state and local tax and regulatory policies to encourage entrepreneurship and private investment."

The Trump administration's 2019 federal budget even called for the elimination of EDA, Cato's researchers noted, adding that both President Barack Obama's and George W. Bush's administrations had called for ending or drastically scaling back the program.

But Fleming said the EDA, which was formed in 1965, hasn't been leveraged to the fullest extent he believes it could be and he said he doesn't think enough state and local governments are seeking help through the agency's competitive grant programs that pave the way for incubators and accelerators that help create jobs in blighted communities.

As an example, he said coal mining communities that have lost jobs over the past decade could be eligible for funds to pivot to other types of energy or non-energy jobs.

The Tax Cuts and Jobs Act, championed by Trump, included a financial incentive for people with capital gains to invest in low-income and undercapitalized communities, which Fleming said could be a big boost to the EDA's efforts.

"It's an opportunity for people to both make money and to add social value to America," Fleming said.

Fleming pointed to New Orleans as an area that illustrates complex factors that can contribute to an area becoming distressed: the long-term effects of disasters like Hurricane Katrina mixed with high-poverty and high unemployment.

"We don't try to make successful communities more successful," he said. "We want to make uncertain, unsuccessful communities successful, and hopefully even more successful over time."