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MEETING MINUTES FOR THE
LOUISIANA BOARD OF INTERNATIONAL COMMERCE
HELD AT
THE LOUISIANA STATE LIBRARY
701 NORTH FOURTH STREET
BATON ROUGE, LOUISIANA
ON THE 27TH DAY OF JANUARY, 2015
COMMENCING AT 3:05 P.M.

REPORTED BY: DESIREE DELATTE, CCR, RPR



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1 **Appearances of Board Members Present:**

2

3 **Pam Breaux**

4 **Kathe Falls**

5 **Bill Fousch**

6 **Felicia Manuel**

7 **Don Sanders**

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LABIC BUDGET AND FINANCE MEETING

1 MR. FOUSCH:
2 Kathe Falls.
3 MS. FALLS:
4 Here.
5 MR. FOUSCH:
6 Pam Breaux.
7 MS. BREAUX:
8 Here.
9 MR. FOUSCH:
10 Jeff, absent. Dan Feibus is
11 absent. Felicia.
12 MS. MANUEL:
13 Here.
14 Don.
15 MR. SANDERS:
16 Here.
17 MR. FOUSCH:
18 And Scott Martinez, I guess --
19 I'm assuming is gone. So we have five. We
20 do have a quorum. Did you want to --
21 MS. FALLS:
22 Perfect. You know, the first
23 thing we need to do is elect a chairman for
24 this one. There wasn't a quorum last time.
25 The floor is definitely open to nominations.



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1 We did reach out to Don just to say, If you
2 were nominated, would you be willing to
3 serve in this capacity? And he has said, if
4 nominated, he would be glad to do it, but
5 with that, why don't we open the floor to
6 nominations, and then if either of you are
7 interested as well, but we do need a
8 chairman to really kick start, you know,
9 everything with Budget and Finance.

10 MS MANUEL:

11 I nominate Don.

12 MR. SANDERS:

13 Thank you so much, and I am
14 honored to do it.

15 MS. FALLS:

16 Any more nominations?

17 MR. FOUSCH:

18 I think we're good.

19 MS. FALLS:

20 Can we vote? All in favor.

21 (Several members respond "aye.")

22 MS. FALLS:

23 All opposed?

24 (No response.)

25 MR. SANDERS:



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1 Thank you very much.

2 MR. FOUSCH:

3 It's unanimous.

4 MS. BREAUX:

5 Thank you.

6 MR. FOUSCH:

7 Congratulations.

8 MR. SANDERS:

9 Well, that being -- thank you
10 for the group congratulations. That being
11 said, with everything I'm reading in the
12 paper about budgets right now, I appreciate
13 it, Kathe. In asking for money from the
14 State of Louisiana, but I think that will be
15 accomplished by success and results also.
16 If we can include that, we can raise money.

17 MS. FALLS:

18 I'm thrilled, and I was trying
19 to make up 15 minutes. I was talking a
20 little bit fast upstairs, but I really am
21 thrilled to be here and look forward to
22 getting to know everybody, and LABIC in
23 particular, now that we've got some
24 guidelines on what the subcommittees are
25 doing, it's so much better. Did you guys



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1 get this?

2 MR. SANDERS:

3 I did. I have it printed here
4 also.

5 MS. FALLS:

6 Here you go.

7 MR. FOUSCH:

8 So we did the nominations. We
9 reviewed the Budget and Finance
10 responsibilities, which are listed on these
11 forms, and we want to go over those and see.
12 These are responsibilities and suggested
13 tasks that were included in the master plan.
14 So we'll go over those quickly and see what
15 you think. Provide recommendations and
16 limitations for funding. And this is the
17 funding for the board-approved
18 infrastructure projects that some of the
19 others committees will go through the
20 process and then approve the projects and
21 arrange them according to priority.

22 MR. SANDERS:

23 Bill, are we funded going
24 forward though 2015?

25 MR. FOUSCH:



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1 Funded as?

2 MR. SANDERS:

3 As in the legislation has funded
4 this committee and we have the budget and we
5 have the bank.

6 MS. FALLS:

7 No.

8 MR. FOUSCH:

9 No, we don't have the budget.

10 MS. FALLS:

11 No. The way the process will
12 end, and if you don't mind my jumping in
13 here, the project governance and all the
14 subcommittees -- let me back up. They're
15 all intertwined, which is why it took me a
16 while to get my head around, honestly, the
17 subcommittees. Project governance is
18 coming up with the process in which to
19 evaluate the projects, infrastructure, non
20 infrastructure. At the end of the process,
21 that committee comes up with a list of
22 projects that are approved and prioritized.
23 However, that gives them this, for lack of a
24 better term, certification that can then
25 take those projects and look for funding



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1 from various sources. LABIC is not funded
2 right now. LABIC is operating with just LED
3 money at this particular junction.

4 MR. SANDERS:

5 Okay.

6 MS. FALLS:

7 So the challenge comes in
8 finding funding sources, not just with the
9 legislature, but what funding sources are
10 out there that's getting project approval.
11 I hate to use the word "winners," especially
12 when it gets typed in, but the priority
13 projects that are approved, they can take
14 that to the various funding sources and say,
15 Here's where we get it. So the challenge
16 comes -- when I went back and read the
17 master plan, studied it against what's going
18 on, it says federal funds, state funds,
19 public/private ventures. So it's like even
20 at one point in the master plan calls for
21 self-generating funds. Now, I don't think
22 we are to the point where we have that
23 funding, but one of the first steps we can
24 do is take a look at what is available on
25 the federal line, what are the sources as



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1 well. So Bill has put together a potential
2 list for the committee's consideration of
3 here's some pots of money that folks might
4 be interested in applying for. So the idea
5 would be that the approved projects would
6 then be given this list, and our job is to
7 create the list. Eventually, when we get
8 money for it, yes, maybe. Today, no. 2015,
9 2016, I'm not so sure because right now the
10 first step is for project governance to
11 get the process application, submitted,
12 approved, and then prioritized. So we've
13 got to get through that point, see how many
14 there are because, you know, et cetera.

15 MR. SANDERS:

16 I think you recall that was one
17 of my first questions on that private
18 sector.

19 MS. FALLS:

20 Yeah, how do we --

21 MR. SANDERS:

22 Need direction on that also. We
23 can do that, though. I mean, we can
24 succeed. You tell me what we can do.

25 MS. FALLS:



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1 You mean going to get the
2 private sector money?

3 MR. SANDERS:

4 Yes.

5 MS. FALLS:

6 Okay.

7 MR. SANDERS:

8 It's difficult.

9 MS. FALLS:

10 My understanding is we don't
11 have a mechanism right now set up.

12 MR. SANDER:

13 But what's on this document
14 right here is what raised the question for
15 me, Kathe.

16 MS. FALLS:

17 And you know what, I don't have
18 my master plan e-mailed. If you go back
19 through it, there's a lot of questions I ask
20 about, you know, where would the funding
21 mechanism go, you know, if you go out the
22 raise the money for those projects, where do
23 you put it, and what do companies get in
24 return for making contributions for the
25 fund, and is that a 501C3 is that a -- you



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1 know, what kind of fund is it. So we're not
2 quite to that point yet for task for the
3 next 12 months, I don't think we're quite
4 there. I think that you're looking at tasks
5 for year two or year three.

6 MR. SANDERS:

7 Okay. Good. The federal
8 funding?

9 MS. FALLS:

10 I think federal funding is
11 definitely something we can easily get
12 accomplished within 2015. Where do you go,
13 what's the process, you know, et cetera.
14 Ask then, Bill, did you find out anything on
15 the state level or everything done was
16 federal?

17 MR. FOUSCH:

18 The state level we had the EDAP
19 program. You know, that's the program with
20 a financial incentive for us that we give
21 companies that are relocating here. That's
22 one option, but it's related to a project,
23 so a company would have to be looking to
24 come to Louisiana, and we could possibly use
25 it as an incentive to get them to locate



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1 here, but it's used to fund infrastructure,
2 and there is a -- it's called sponsored and
3 unsponsored. Sponsored is when it's for a
4 public entity, and unsponsored is where it
5 would go to a private company to benefit the
6 private company. That's one area where we
7 can possibly do, and that program is
8 administered by LED.

9 MR. SANDERS:

10 Bill, that's the fund that were
11 made available to us to stay here also, not
12 just to relocate here, but to -- we were
13 recruited by other states and things like
14 that, so I think it's a wonderful program.

15 MR. FOUSCH:

16 Yeah, it's for retention,
17 expansion, and location as well.

18 MS. FALLS:

19 You know, again, backpedaling a
20 little bit because I've been on the board
21 three months, but my understanding is that
22 with LED projects, the incentives are tied
23 to a specific number of jobs, and they're
24 tied to a very specific capital investment,
25 and you've got some very defined parameters



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1 in which that incentive money would be
2 applied, and then you're looking for that
3 positive return for the state.

4 The challenge under project
5 governance is that some of the
6 infrastructure and non infrastructure
7 projects are not going to have that same
8 defined -- this is how many jobs it's going
9 to create; this is how much capital
10 investment it's going to be. So it's going
11 to make it a little bit harder in some
12 situations to use the same set of money that
13 is based on jobs and investment. And then I
14 know that one of the other issues that
15 project governance is also talking about
16 is the economic impact on some of those
17 projects. So for example, if there is a
18 project that has a very high -- or the
19 return of investment's moderate, but you're
20 in a particular part of the state where the
21 impact would be quite high. How does that
22 rank on the priority listing? You know,
23 because not all projects are the same.
24 Those are some of the issues that committee
25 is going through today, and I know that that



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1 committee has also talked about meeting as
2 often as needed to help work through some of
3 the issues.

4 MR. SANDERS:

5 They will actually prioritize
6 the projects that --

7 MS. FALLS:

8 Well, our job is not to approve
9 the projects. That committee will make the
10 recommendation to the board. The Budget and
11 Finance Committee, my understanding is it
12 helps find funding options for the projects
13 that are already approved.

14 MR. SANDERS:

15 Okay.

16 MS. FALLS:

17 Okay. So then the Cargo
18 Committee is one that helps take a look at
19 the Louisiana deepwater ports and helps
20 provide enough data to help them make
21 strategic decisions about how to increase
22 cargo flows and in out. So it's not for
23 LABIC to do the marketing for them, but to
24 take a look at the data and the analysis,
25 provide that to the ports, and then help



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1 them make a more strategic advice. Now,
2 that's reading through it multiple times,
3 comprehending, et cetera. You can tell me
4 if you think that I've misinterpreted, you
5 know, what I've read, but I think it's
6 Budget and Finance is really on the cargos
7 moving here, the projects are here, and then
8 they get to the point where they get that
9 certification. Well, now what? You know,
10 how do those things get funded and is the
11 only option the state? Are there other
12 options that are out there?

13 MS. MANUEL:

14 Is parish funding kind of -- I
15 mean, I know it would vary parish by parish,
16 but you think there would be support there
17 or --

18 MS. FALLS:

19 I think that's one of the things
20 we need to look at is what are those
21 fundings and who -- and let me also back up
22 and say that this is a part-time assignment
23 for Bill. This is not his full-time job as
24 to -- we're going to need a lot of help
25 finding these -- identifying if the parish



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1 is the way we want to go, what's that
2 process. If we get that information, what
3 information are we asking for and how do we
4 then take that and turn it around? So we're
5 going to need to come up with some defined
6 parameters and processes, whether that's
7 parish. I know one of the things the ports
8 are looking at, the cargo task force is
9 doing a type of survey to the different
10 ports to find out what their top -- what is
11 your top priority issue? What are your top
12 commodity flows? What are your top markets
13 or countries that are going through your
14 ports? And then you have a number of other
15 questions that will go in there, and then we
16 will -- for that committee, use some of this
17 new data, databases we have to supplement
18 what the ports are telling us, which is why
19 we wanted to do that presentation on the
20 tools before the subcommittees got together.

21 MR. SANDERS:

22 I think your thought is relative
23 on the parishes not to create a competitive
24 environment inside of our state because
25 we're going to compete with the other states



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1 and the rest of the world, but I think
2 you're right. They have a vested interest
3 in this. What will you invest? What will
4 the state invest?

5 MS. MANUEL:

6 Exactly. The thing is, I would
7 say it would have to come from this office
8 or someone, because I just know for us
9 personally, we did a large expansion. We
10 got help from the state, you know, but, you
11 know, manufacturing machinery purchase is
12 tax exempt at state level. Parish level,
13 they've told us it's up to your different
14 parishes. Well, if it's just a company
15 going and saying, you know, can I have help,
16 then it's a no, you know, but if it's a
17 larger request, kind of from the state, from
18 the -- I think you would probably have more
19 success that way.

20 MR. SANDERS:

21 We benefited from that same
22 program.

23 MS. MANUEL:

24 Really?

25 MR. SANDERS:



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1 Oh, absolutely. And I think the
2 way to sell it is to go out there and show
3 the benefits of it, okay, that you didn't
4 get that piece of tax, but you created two
5 jobs.

6 MS. MANUEL:

7 Exactly.

8 MR. SANDERS:

9 I know your employees are very
10 much similar to ours.

11 MS. FALLS:

12 So how would you say we'd go
13 about determining what parishes have money
14 that they can put into some of these
15 projects? What's the best thing?

16 MR. SANDERS:

17 What I might suggest on that is
18 -- and you have the information as to who is
19 located in Louisiana, the boom, which is not
20 here today, but it is a looming force over
21 here. And so you look at where the LNG and
22 ethylene plants and liquid natural gas
23 plants. Most of them located over here, and
24 they're going to benefit tremendously by
25 just tax.



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1 MS. MANUEL:

2 And also probably I would say
3 parishes that don't have industry right now,
4 like we're in Evangeline Parish. We have
5 industry. We have a couple of international
6 companies, so they're less likely to kind of
7 work with them, whereas Saint Landry Parish
8 is right on the side of us. There's no
9 industry in Saint Landry Parish. I think
10 it's the poorest parish in the state. So I
11 think they would probably be much more
12 likely to work with someone to say, No, we
13 need it, you know. We don't have it right
14 now. We need it, so what will it take to
15 get it here, kind of thing.

16 MR. FOUSCH:

17 I think you're talking about two
18 different things. Y'all are talking more
19 about projects located in your vicinity,
20 whereas we're talking about as far as
21 infrastructure projects that --

22 MS. FALLS:

23 That was going to be my
24 question. So if you take this -- please,
25 I'm just helping to understand, so just --



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1 but I think Bill's right. You've got a
2 port, so let's say the port of Louisiana,
3 the port Baton Rouge, the port of whoever
4 decides, I need a new crane. I need a new
5 XYZ. What parish do they approach about
6 helping to do that? Because that impact is
7 not just their direct parish. Their impact
8 technically could be much broader, and
9 that's where -- and I wasn't articulating
10 very well, so the process being how do you
11 know what parish you approach for a
12 infrastructure? Not --

13 MS. MANUEL:

14 In a separate parish.

15 MS. FALLS:

16 Yeah. Not an investment
17 project, because an investment project has
18 those funds that go look along with the
19 incentives. They have the jobs; they have
20 investments, et cetera; but the
21 infrastructure, the non infrastructure type
22 projects, you know, whether that's a
23 deepwater port for offloading. I've heard
24 of, you know, that being a potential that's
25 being discussed. I've heard this, that, and



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1 the other. You know, how do you get those
2 type --

3 MR. SANDERS:

4 Another thing is I like what
5 you're saying, and I think our job is to
6 represent the entire state, the taxpayers
7 and the board in general and everyone else.
8 How do we share that information and give
9 these parishes some direction? What you
10 said. They don't know that this money could
11 be there and that this committee exists to
12 help and that LED is here and those things.
13 And I'm sure they know of LED, okay, you
14 know, but where do they pursue these funds
15 at?

16 MR. FOUSCH:

17 Most of these infrastructure
18 type projects, though, I think we're
19 speaking of, for municipal funding, it would
20 be like debt or bonds, municipal bonds,
21 things like that, which are tax exempt from
22 federal income tax and also from state
23 income tax and local, wherever they're
24 issued. So that's a source for those types
25 of investments, infrastructure projects



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1 versus the -- what you're talking about as a
2 possible company locating there to create
3 jobs. As Kathe mentioned, some of these
4 infrastructure projects might not have the
5 required jobs to meet some of the statewide
6 financial incentive programs. So that's
7 what we're trying to address now,
8 infrastructure projects that would help
9 attract these types of companies versus when
10 a company is getting ready to locate.
11 They've already made the decision.

12 MR. SANDERS:

13 Bill, I think you're referring
14 to the Quality Jobs, and I agree with you on
15 that. It's difficult to meet that standard.
16 We actually went back to Enterprise. It was
17 quite aggressive, and we've been quite
18 aggressive in growth.

19 MR. FOUSCH:

20 Again, in my -- I think we're
21 talking about two slightly different things.

22 MS. FALLS:

23 Well, I'm looking at my watch,
24 and I'm going, This conversation --

25 MR. SANDERS:



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1 Okay. Let's finish it up.
2 MS. FALLS:
3 But let me also just throw out
4 something else. From my understanding,
5 because of the nature of these meetings,
6 with it being open and records, recordings,
7 and everything. The subcommittees have to
8 meet in person; they can't just meet by
9 telephone. So if we wanted to meet -- yeah,
10 I know. If we wanted to meet in between
11 meetings, it has to be -- if we wanted to
12 get more in-depth than the 30-minute
13 subcommittee meetings, it's just going to
14 have to be at a time and place where we do
15 something.

16 MR. SANDERS:
17 Pam, are you in Baton Rouge?

18 MS. BREAUX:
19 Yes, I am.

20 MS. MANUEL:
21 I'm fine to come. It doesn't
22 matter.

23 MR. SANDERS:
24 Are you sure?

25 MS. MANUEL:



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1 Oh, yeah.

2 MS. FALLS:

3 Where are you?

4 MR. SANDERS:

5 Baton Rouge.

6 MR. FOUSCH:

7 She's got a little commute.

8 MS. MANUEL:

9 I'm the only non-Baton Rouge
10 person.

11 MR. SANDERS:

12 I do think we need a follow-up
13 meeting and maybe sit down and research a
14 little bit first. So I like what you're
15 talking, prioritizing. And maybe that's
16 going to be done by the other committees.
17 They just want you to look at it first.

18 MS. FALLS:

19 Also, because I'm thinking
20 through all the possibilities, not just what
21 happens at the state level. When you've got
22 a pretty big budget deficit at this point,
23 not everything that's a good idea is going
24 to get funded, so where do folks go and
25 that's a good idea that's been approved, and



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1 what are some of the other options, and my
2 brain is thinking, Can the federal
3 government help us?

4 MR. FOUSCH:

5 There are some federal programs
6 -- we run businesses on budgets, dealing
7 with the bank and cash, and if we stay
8 within budget, a longtime delivery of some
9 deliverables to the state of Louisiana, then
10 moving forward, requesting growth is a good
11 return. We'll get listened to anyway.

12 MR. FOUSCH:

13 Well, there are some federal
14 programs that I have, and I can send these
15 to do you, but they help to mitigate the
16 interests, expenses, and things like that,
17 and they can help with establishing
18 public/private fundings as well. That's
19 another source, a public/private partnership
20 or else even just private companies that
21 invest in infrastructure.

22 MR. SANDERS:

23 Bill, what was the user fees?
24 Give me an example of what you're saying.

25 MR. FOUSCH:



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1 User fee -- this is my opinion,
2 but user fees are generally used to finance,
3 to pay off whatever is the construction. I
4 don't think you can use the user fee to
5 actually construct something. You'd have to
6 construct it and then have it operational
7 first so you can charge user fees. But a
8 user fee would be like a toll on a toll road
9 or wharf fees at a dock, things like that.

10 So the debt would be what you
11 would use to help pay off the bond or the
12 loan, because there are commercial loans you
13 can get as well.

14 MR. SANDERS:

15 Okay. As we address the rest of
16 group, and -- will we address the group when
17 we go back in there?

18 MS. FALLS:

19 You will. Is that okay?

20 MR. SANDERS:

21 Yes, that's fine; however, let's
22 get a little direction as to what we want to
23 say.

24 MS. FALLS:

25 Well, how about the committee



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1 elected a chairman. The committee talked
2 about -- redefined the responsibilities of
3 the subcommittee. Also started looking at
4 brainstorming of different sources. A
5 second follow-up meeting is going to be
6 needed in order for us to flesh those out,
7 but also looking longer-term as to getting
8 some clarity on the establishment of some
9 type of a, you know, potential for accepting
10 of private funds.

11 MR. SANDERS:

12 Okay.

13 MS. FALLS:

14 And I think at that point --
15 really a lot happened; it's just we have a
16 whole lot more to discuss.

17 MS. BREAUX:

18 And just from what I'm reading,
19 the one-pager on the job description of
20 financing and budget subcommittee is right on.
21 Nothing we've said negates anything in that
22 one-pager, so I think it's good to use. The
23 only thing I would recommend adding to this
24 one-pager is the fact that Don is not only
25 on the committee, but a chairman.



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1 MR. SANDERS:

2 All right. Thank you.

3 MS. BREAUX:

4 That's the only omission there.

5 Everything else looks right on.

6 MS. FALLS:

7 We made some -- yes, thank you.

8 MR. SANDERS:

9 Kathe, one more question. If
10 you look under "responsibilities, the fourth
11 bullet point, "provide input on annual
12 budget," yet you said you really don't have
13 an established budget.

14 MS. FALLS:

15 The Office of International
16 Commerce did not have its own budget, and it
17 is operated under -- within LED.

18 MR. SANDERS:

19 So the remote offices, they are
20 actually consulted through LED?

21 MS. FALLS:

22 LED. Now, I'm talking to
23 Stephen Moret. I'm talking to Steven
24 Grissom about separating International out
25 and getting its own budget, because it's --



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1 what I have done for years is you manage a
2 budget; you manage your contractors; you
3 manage your databases; you manage everything
4 else against your own set of resources. So
5 I think it's going to happen. The
6 recommendation that's in there was straight
7 from the master plan as saying, We want to
8 break it out. I don't think this is going
9 to be a problem. I think it's going to
10 happen. It's just a matter of when.

11 MR. SANDERS:

12 Okay.

13 MS. FALLS:

14 And that's one we can kind of
15 look at, you know, what all is included, and
16 then your question was a very good one.
17 What do you do if you are setting up some
18 type of mechanism for the receipt of private
19 funds? You know, is that under something
20 separate, or is that under the state? You
21 know, maybe setting that up is not simply
22 saying, Put money into LED. Maybe it's
23 setting something up, some type of a
24 separate thing. That way, your funds don't
25 have the shelf life of a fiscal year.



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MS. BREAUX:

Right. That's right. No, that's some good thinking. And in terms of sort of establishing the LED dialects that are specific to International Commerce, I think a good opportunity for the current administration to engage in that will be this summer. So right after the legislature passes a budget, there will be opportunity for a budgeted lay-in so that this administration can do some sort of a lay-in that reflects, you know, specific line items for International Commerce so that prior to the end of the current administration, that can be carved out before the end so that you're moving forward, regardless of a transition at the highest level of the agency.

MS. FALLS:

Guys, I hate to do this. It's now 3:30, so we're now tardy.

(The meeting concluded at 3:30 p.m.)



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REPORTER'S CERTIFICATE

I, DESIREE DELATTE, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this meeting for the Louisiana Board of Internation Commerce, do hereby certify that this meeting was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

That the transcript has been prepared in compliance with transcript format required by statute or by rules of the board, that I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedure Article 1434 and in rules and advisory opinions of the board;

That I am not related to counsel or to the parties herein, nor am I otherwise interested in the outcome of this matter.

Dated this 16th day of February, 2015.

DESIRE DELATTE, CCR, RPR
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