

Kevin Reilly - Secretary, Department of Economic Development

I appreciate this opportunity to address my feelings on the subject. Jack, actually I think now we are planning on about a \$40 or \$50 million dollar shortfall as far as State revenue is concerned. So, this is a very serious matter for the State's fisc as well as for the public fisc. I really have two things that I want to discuss with you today. First, of course, is the fact that we need to promote, I think, as any commodity the fact that we have so much natural gas to sell. I think – with me is Mr. Leon Kahn who is a member of my Board of Directors on the Economic Development Corporation and Mrs. Linda Prudhomme who is with the Metrovision organization which is the Greater New Orleans Chamber of Commerce. And Linda, perhaps you will state your feelings. **(Statement made by Linda Prudhomme)** Thank you, Linda. As I said, my feeling to be here today is really two-fold. One, is to try to exhort the Mineral Board and everybody involved in the industry, to market our gas. We have a tremendous product, and I think I'm going to introduce to you next, Mr. Leon Kahn who is, as I said, on my Board of Directors at the Economic Development Corporation and also is a councilman down in the St. Mary area. The second reason that I wanted to come here today was to ask the Board to take a very strong, strong stand against the so-called processing tax. This tax has a chilling effect – a chilling effect on our efforts to attract industry to come to Louisiana. While it has been portrayed more or less as a refinery tax, it basically is a tax on anybody that uses a barrel of oil and would have an absolute devastating effect on our petrochemical industries. I'd like now to turn it over to Mr. Kahn to describe to you some of the suggestions that he has for marketing our gas.

(Statement made by Leon Kahn) To me it presents an unparalleled opportunity to market our product and I hope that the Mineral Board will see fit to pursue this. And Linda, to answer your question, we are trying actively to get the Governor to make this trip to Houston to meet with the oil executives and to discuss – We want to make Louisiana a very friendly place for this industry. It's extremely important to us. I think even with the shortfall we'll be talking about at least \$700,000,000 in severance taxes, royalties and bonuses. So, it is extremely important to us. I hope that you will take this into consideration and look at a very aggressive marketing program because in this particular case it seems sometimes with our industries we are on the other side of the air problem. This time we're on the right side of it and I hope that we will aggressively pursue it. Thank you.