



February 18, 2015

The Joint Legislative Committee on the Budget
Louisiana Legislature
PO Box 44294
Baton Rouge, LA 70804

RE: Fiscal Year 2015 mid-year budget reductions

Dear Chairman Fannin:

We are writing today on a matter of grave concern to Louisiana industry. As you know, the State of Louisiana is preparing to eliminate a Fiscal Year 2015 mid-year deficit in the amount of \$103.5 million. It is our understanding that additional items will be proposed at the meeting of the Joint Legislative Committee on the Budget that were not included in the elimination plan as introduced by the Division of Administration on February 6, 2015.

More specifically, **we are concerned that \$8 million may be removed from the Environmental Trust Fund, which is the depository for fees paid by industry for environmental permitting and enforcement.** R.S. 30:2015 outlines the authorized uses of monies in the Environmental Trust Fund, which is first and foremost to “defray the cost to the state of permitting, monitoring, investigating, maintaining, and administering the programs provided for under the Louisiana Environmental Quality Act.”

The state’s Environmental Quality Act and the Environmental Trust Fund are intended to fulfill pollution control and regulatory plans required by federal laws including the Clean Air and Clean Water Acts. It is our understanding that an \$8 million reduction in the Environmental Trust Fund would not only jeopardize the state match for federal funds, but also require the elimination of more than 100 positions within the Department of Environmental Quality. As a result of this action, **if the state is unable to perform this function, the US Environmental Protection Agency would assume the permitting, enforcement, and inspections for industry in Louisiana.**

The petro-chemical and manufacturing industries in Louisiana are undergoing historic growth. The ability of the Louisiana Department of Environmental Quality to speedily process permits is fundamental to ensuring that announced projects move forward. The EPA, on the other hand, is in the midst of preparing new regulations intended to do the exact opposite with tremendous negative impact on industrial growth across the country. **To cede control to a federal agency in these matters would be irresponsible and counterproductive, putting thousands of jobs at risk across Louisiana.**

As such, the **statewide business community, trade associations, and stakeholders urge you as a member of the Joint Legislative Committee on the Budget to reject proposed mid-year reductions to the Environmental Trust Fund.** Now is not the time to put growth in the private sector at risk in order to continue state government spending. We sincerely thank you for your leadership in this matter.

