

Manufacturing Closures in North Louisiana: Impact on Small Businesses and Local Communities

Chairwoman Landrieu, Ranking Member Snowe, and distinguished Subcommittee members:

Thank you for inviting me here today to discuss manufacturing closures in North Louisiana and the impact these closures have on small businesses and local communities. As the economy continues to sink further into a recession communities in North Louisiana are suffering greatly.

Let me begin with a short timeline of recent events in my district, which stretches from the Arkansas border down to Point Coupee. On November 21, 2008 International Paper “indefinitely” closed its plant in Bastrop due to a weakened national and global economy. On Friday, December 12, 2008, the company announced that the closure was permanent. Within the next four days, Senator Landrieu, the Louisiana Workforce Commission and I put forth extensive efforts to secure Trade Adjustment Assistance for those impacted by the closure. Additionally, in cooperation with the Economic Development Agency of the Department of Commerce, quick progress was made in seeking funds for Economic Assistance due to the sudden and severe loss in the area. Two months later, Pilgrim’s Pride closed its plant in Farmerville.

This sudden and severe economic loss, coupled with the economic hardships that have plagued the area due to the numerous hurricanes in Louisiana, creates a stressed environment for business to survive. The communities in North Louisiana are suffering and will continue to suffer if steps are not taken to alleviate the struggles businesses face in times such as these.

One major aid to areas such as North Louisiana is the Renewal Community/Empowerment Zone Program Incentive, which provides certain businesses in designated communities with tax incentives, grants, loans and technical assistance to encourage investment in these communities, which have experienced severe economic decline.

As stated by the Northeast Louisiana Economic Alliance on their web site titled *Renewal Louisiana*, “what have been vacant lots or abandoned buildings have been turning into new business complexes and affordable housing. Employment opportunities for residents have expanded and support services including childcare, education and healthcare have been strengthened, thus enabling residents of our nation's poorest communities to participate more fully in the workforce.

“Such positive changes have been achieved as a result of the relationships formed between residents, private and public partners and the faith community, all of whom have worked hard from the grassroots level to effect positive change in their communities.”

In recent months, we have seen industries and corporations across the nation fail because they were unable or unwilling to remain innovative and adaptive to the changes occurring in the country and the world. For example, American automakers have been in severe financial crisis, in large part because they have failed to adapt to the market that is more focused on conserving energy and leaving less of a carbon footprint.

Louisiana must learn from these mistakes. I believe diversity is vital to our local economy. We must not rely solely on a select few businesses to make our economy work. Instead we need all our businesses to work together to ensure our economy maximizes its full potential. If one should fall, there will be a hundred others to fill the void. In a marketplace increasingly focused on the future, we must not stay focused on the present or past, but rather we must look to become competitive in the marketplace by utilizing our vast resources and our Louisiana ingenuity, and by focusing on the future of Louisiana and the United States of America.