



## SENATE COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

Opening Statement for  
*“Manufacturing Closures in North Louisiana:  
Impact on Small Businesses and Local Communities”*  
Tuesday, April 14, 2009 at 9:30 a.m.  
Shreveport Convention Center, 400 Caddo St., Shreveport La.

(As Prepared)

I am pleased to open this Small Business Committee field hearing entitled “Manufacturing Closures in North Louisiana: Impact on Small Businesses and Local Communities.”

Before I begin, I would like to recognize a few elected officials in the audience. I also would like to thank Amy Dobrzeniecki from the Department of Commerce and Joseph Juarez from the Department of Labor, for attending this field hearing.

This is our first field hearing of the 111th Congress, and my first in Louisiana as Chair of the Committee. This is also the first Small Business Committee field hearing ever to be held in Shreveport, and only the fourth U.S. Senate Committee field hearing to be held here.

As Chair of the Committee, I felt it was important to hold our first hearing in north Louisiana because of the multiple manufacturing closures that have occurred in this region. In general, Louisiana hasn’t taken the same employment hit as other parts of the country. Louisiana is tied with New Hampshire and New Mexico for the eighth lowest state unemployment rate. But we are still hurting. Our unemployment rate has gone from 3.8 percent a year ago to 5.1 percent at the beginning of this year.

As manufacturing plants close in north Louisiana, we are hit even harder. North Louisiana has been hit especially hard. In particular, in the last year alone there have been more than 2,000 manufacturing-related layoffs in this area, including:

- Georgia-Pacific plywood plant in Logansport (280 employees)
- General Motors plant in Shreveport (422 employees)
- International Paper mill in Bastrop (550 employees)
- Weyerhaeuser strand products mills in Simsboro and Dodson (185 employees)

For communities in this area, a loss of ten jobs here and twenty jobs there are big blows to the local economy. These losses also impact suppliers, such as farmers and growers, and related local small businesses, such as restaurants, grocery stores and retail outlets. The closing of International Paper in Morehouse Parish last year was particularly devastating for Bastrop and the surrounding communities. I will continue to work with the State of Louisiana and Congressman Alexander to fight for assistance for the region.

We will work with the Department of Labor to find help for workers and the Department of Commerce to find help for the impacted communities. Last month, Pilgrim's Pride announced that it would be closing its facility in Farmerville. This closure would have resulted in the layoff of almost 1,300 employees – including support operations in Athens, Choudrant and Arcadia. The closure also threatened 260 independent chicken growers. Thankfully, the State of Louisiana stepped up with \$50 million and secured a buyer for the Farmerville facility.

As I mentioned, this region is facing challenges on several fronts. We have seen the headlines:

- "Morehouse Unemployment Almost Doubles" (Monroe News Star, March 25, 2009)
- "Shreveport GM May Be Among Additional Closures, Analysts Say" (Shreveport Times, March 19, 2009)
- "Louisiana's Second Largest Manufacturing Industry Faces Hard Times" (WAFB (Channel 9 in Baton Rouge) March 20, 2009)

I am aware that this region's biggest economic engines are hit hard by the slowing economy: the wood products industry, food processing, automanufacturing. The purpose of today's hearing is to identify some of these challenges and outline possible strategies to help jumpstart the north Louisiana economy.

In closing, I would like to point out that there are many positive things going on in north Louisiana. We can build off these assets, including the region's vast natural resources, to weather the current economic storm. This region boasts excellent universities and colleges, such as UL-Monroe, Louisiana Tech, Grambling, LSU-Shreveport, Centenary College and Southern University at Shreveport; Barksdale Air Force Base; two major airports in Shreveport and Monroe; cutting-edge technology companies like NIFT-TV in Ruston and CenturyTel in Monroe; a growing film industry in northwest Louisiana; healthcare industry – northwest Louisiana is a regional medical hub and northeast Louisiana has significant hospital employment; federal tax incentives for investment in the area; and vast natural gas deposits, timber forests and other agricultural products.

I believe that we can build off of these assets and leverage Federal funds to create a better, more competitive north Louisiana. For example, the recently-passed Stimulus bill included billions to fund the deployment of broadband technology across the country. I am encouraging local communities and businesses to explore this stimulus funding. Improving broadband deployment in Louisiana helps our businesses, universities and local governments. We can also ensure that Louisiana is investing other Federal funds wisely and that complimentary Federal programs are actually complimenting each other in the field.

Today's hearing will hopefully cover these and other important issues facing north Louisiana right now. With that, I will now introduce our first panel of witnesses.