

1 LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
2 OFFICE OF THE SECRETARY

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5
6 Waste Tire Program Task Force Meeting held
7 at Galvez Building, Natchez Room, at 602 North Fifth
8 Street, Baton Rouge, Louisiana, on Wednesday, May
9 24, 2017, before Robin Reynolds, Court Reporter,
10 beginning at 1:16 p.m.

11
12 PANEL MEMBERS:

13 Dr. Chuck Carr Brown, Chairman
14 Dwana King
15 Jackie Marve
16 Kip Vincent
17 Buddy Dupuy

18 ALSO PRESENT:

19 Cy Morin
20 Brian Benson
21 Elliot Vega
22 John Bruce
23 Paul Bernstein
24 Bill Young
25 Rupert Ward
26 Jim Benson
27 Karen Andrews
28 Theresa Delafosse
29 John Rollins
30 (Other audience members)



P R O C E E D I N G

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2
3 DR. BROWN:

4 Good evening, all. I wanted to ask everybody
5 to please put your phones on silent or vibrate or
6 off.

7 Welcome to the Task Force, Waste Tire Task
8 Force meeting. We talked about trying to meet at
9 least once during the session. And, of course, our
10 usual meeting spot at the legislature is either
11 occupied or will be occupied, so we take records in
12 our building. The Public Service Commission meets
13 here monthly, or whenever they need to, so we have
14 an opportunity to actually utilize a specific
15 meeting space. And we're going to be recorded with
16 a court reporter rather than being televised. So as
17 you are recognized to speak, please identify
18 yourself.

19 I'm Dr. Chuck Carr Brown, Secretary of DEQ and
20 Chairman of this Task Force. So at this point we
21 will ask for a rollcall.

22 Ms. King?

23 MS. KING:

24 Dwana King. Secretary Chuck Brown?

25 DR. BROWN:

1 Here.

2 MS. KING:

3 Present. Mr. Brian Benson?

4 MR. BRIAN BENSON:

5 Here.

6 MS. KING:

7 Present. Representative Stewart Bishop?

8 Absent. Mr. John Bruce?

9 MR. BRUCE:

10 Present.

11 MS. KING:

12 Present. Mr. Buddy Dupuy?

13 MR. DUPUY:

14 Present.

15 MS. KING:

16 Present. Ms. Kathy Gautreau? Absent.

17 Mr. Joe Mapes. Absent.

18 For the Louisiana Independent Tire Dealers
19 Association, do you have anyone?

20 AUDIENCE MEMBER:

21 I think someone is here representing them.

22 MS. KING:

23 Do we have anyone?

24 MR. BERNSTEIN:

25 Paul Bernstein.

1 MS. KING:

2 Paul Bernstein, present. Mr. Bill Young?

3 MR. YOUNG:

4 Present.

5 MS. KING:

6 Present. Mr. Kip Vincent?

7 MR. VINCENT:

8 Present.

9 MS. KING:

10 Present. Senator Mike Walsworth? Absent.

11 Mr. Lloyd Ward? Absent. Mr. Mike Wells? Absent.

12 MS. MARVE:

13 Do we have a representative?

14 MR. WARD:

15 Yes. My name is Rupert Ward representing

16 Floyd Ward.

17 MS. KING:

18 Rupert Ward?

19 MR. WARD:

20 Yes.

21 MS. KING:

22 Present. We do have a quorum.

23 DR. BROWN:

24 I'm trying to figure out this system up here
25 microphone-wise. Good. We have an agenda that was

1 circulating. There will be one change to the
2 agenda. Number 6. Presentation from Benson
3 Environmental, we will postpone that the next Task
4 Force meeting so that item will be removed from the
5 agenda.

6 At this time point I ask Ms. Marve to walk us
7 through the agenda.

8 Ms. Marve?

9 MS. MARVE:

10 Thank you, Secretary Brown. The next topic on
11 the agenda will be the Waste Tire Program audit
12 update, and that will be done Mr. Cy Morin.

13 MR. MORIN:

14 My name is Cy Morin, DEQ Auditor. I just want
15 to give an update on Waste Tire audit overall for
16 the first fiscal year. I have a couple of slides.
17 I will do my best to convey it without the visuals.

18 Currently we have 388 active Waste Tire
19 generated audits. The remaining balance of these
20 audits is 1,170,300.40.

21 DR. BROWN:

22 When you say active, what does that mean?

23 MR. MORIN:

24 It's not closed. The remaining balance of
25 these audits is 1,170,300.40. So of these 388, 86

1 are ready to be closed. Okay. And we've collected
2 \$431,000 on the others.

3 DR. BROWN:

4 How much?

5 MR. MORIN:

6 431,000?

7 DR. BROWN:

8 What is the timeframe?

9 MR. MORIN:

10 That would include audits from any number of
11 fiscal years.

12 DR. BROWN:

13 So, to date?

14 MR. MORIN:

15 This is 86 cases that are ready to be closed
16 that we collected that money on.

17 DR. BROWN:

18 You do not have the timeframe?

19 MR. MORIN:

20 I could give details. I don't have that with
21 me now.

22 DR. BROWN:

23 That's okay.

24 MR. MORIN:

25 182 cases are in legal; they are being pursued

1 legally. And that represents most of the money, the
2 outstanding money, which is \$1,162,616.36. That
3 includes fiscal years 2000 through 2017, with the
4 exclusion of 2000 -- no outstanding ones in 2002.

5 The remaining 120 audits are active and not in
6 legal. 111 of those are at some stage in the
7 process and will need to be reviewed, assessments
8 confirmed, or case confirmed that it can be closed.
9 Those 111 cases fall within the fiscal years '13
10 through '17.

11 DR. BROWN:

12 Do y'all have any questions? Just kind of
13 raise your hand and I'll try to make sure I get
14 everybody in order.

15 Do you have any questions on the report?

16 MR. MORIN:

17 So for our fiscal year 2017 I have numbers for
18 the timeframe since last Task Force meeting, which
19 was March 7th. Since March 7th, we've started Waste
20 Tire Generator audits, and for the fiscal year we
21 have started 60 Waste Tire Generator audits. So far
22 to date we've assessed just over \$90,000 on 26 of
23 these audits.

24 For this fiscal year since the last Task
25 meeting on March 7th we've sent out 12 demand.

1 letters for approximately \$43,000. For the fiscal
2 year we've sent out 76 for just over \$184,000.
3 Since March 7th we've referred 11 cases to legal,
4 which represents just over \$51,000. And for the
5 fiscal year we forwarded 35 audits to legal
6 representing over \$219,000.

7 During the fiscal year we closed 15 audits,
8 which would be from any various fiscal years, and
9 that represents \$78,000.

10 And one last -- well, two more things:
11 Payments received since last Task meeting, we've
12 received 358 active individual payments for Waste
13 Tire cases, and that was for over \$44,000. I did
14 have a breakout for the year. I'll spare you. We
15 don't have a visual.

16 For the fiscal year we've collected 191
17 pavements for over \$176,000.

18 MR. DUPUY:

19 Cy, on the ones you are saying that you sent
20 out letters and collected this much money, the
21 amount of money that the letters were sent out, you
22 collected 192,000, how much were sent out and how
23 much came in? I think that's important.

24 MR. MORIN:

25 Okay.

1 MR. DUPUY:

2 What did we do with the other money that
3 didn't come to us?

4 MR. MORIN:

5 I don't have the details in front of me right
6 now as far as how much we have sent out and how much
7 we collected for those particular audits. I can
8 provide that information.

9 As we talked about before, we give generators
10 30 days to respond. If they do not respond in some
11 way, then the case is forwarded to the legal
12 department and the remainder of the fees will be
13 collected that way.

14 MR. DUPUY:

15 If it can be.

16 MR. MORIN:

17 If it can be. Once we receive a judgment on a
18 case, if it's not being paid it does get forwarded
19 to the Office of Debt Recovery. We currently have
20 49 cases referred to Office of Debt Recovery and
21 have received a few payments. I don't have that
22 number, unfortunately, right now.

23 MR. DUPUY:

24 That's good. I appreciate it very much.

25 MR. MORIN:

1 One last thing I wanted to touch on, there has
2 been concern about the number of audits we do, and
3 there is one other way -- well, let's just say the
4 Waste Tire groups, there's closures, when a site
5 closes and tries to collect money for delinquent
6 months for that site. And since 2013 there's been
7 110 invoices generated for sites that were closed.
8 And that represents about \$540,000. And there is a
9 balance right now of just over \$345,000 for those
10 invoices. That is another way the Department is
11 billing and collecting money outside of the audits.

12 DR. BROWN:

13 And when you say closed, what do you mean?
14 You're talking about a place that was selling tires?

15 MR. MORIN:

16 A Waste Tire generating site.

17 DR. BROWN:

18 Out of business?

19 MR. MORIN:

20 The Department became aware of the business
21 closed. During the timeframe that business was
22 operating, they missed some months, so the
23 Department reviews the manifest and sales records
24 and bills that Generator.

25 DR. BROWN:

1 All right. And are we successful in
2 collecting, and when we don't collect, it goes to
3 the Office of Debt Recovery?

4 MR. MORIN:

5 Yes. Correct. Legal and the Office of Debt
6 Recovery.

7 MR. DUPUY:

8 Once it goes there, do you have a percentage
9 of what of we never recuperate?

10 MR. MORIN:

11 It's a fairly new process. I don't think we
12 really have too many numbers on that yet.

13 DR. BROWN:

14 And from that category, what's the balance
15 that's outstanding.

16 MR. MORIN:

17 \$345,000.

18 DR. BROWN:

19 That's what we collected?

20 MR. MORIN:

21 No. It's outstanding. We've collected just
22 under \$200,000.

23 DR. BROWN:

24 Go ahead, Mr. Bernstein.

25 MR. BERNSTEIN:

1 Do any of these audits include non-licensed
2 generators?

3 MR. MORIN:

4 There has been some audits of Generators that
5 we became aware of that had not been registered and
6 through the process have become registered.

7 DR. BROWN:

8 And on the same lines -- Chuck Carr Brown,
9 again. Along the same lines, folks that go in,
10 whether it's our surveillance folks or whether it's
11 our auditors, they are not registered, they are not
12 sending us money, we're looking to put them out of
13 the tire business.

14 For too long, you know, it's been allowed;
15 this has been allowed to go on. They move from one
16 place to the other. They owe us outstanding fines
17 or outstanding monies from year to year to year. We
18 are looking at putting these folks out of the tire
19 business.

20 I want that to be a part of this conversation,
21 that we start looking at what is owed to us, what we
22 find in audit, what we find in surveillance. There
23 comes a time when enough is enough. These people
24 don't need to be selling tires.

25 MR. MORIN:

1 We will be working with the legal team on that
2 issue. So if there's no other questions ...

3 DR. BROWN:

4 Any questions for Mr. Morin? We're still, on
5 average, scheduling 80 to 100 audits a year?

6 MR. MORIN:

7 We are at 70 right now, but we will schedule
8 more during the next fiscal year.

9 MR. VINCENT:

10 I do have a question. I don't know that you
11 would have it from audits, but the monies that was
12 taken out of our tire fund last year, do we have a
13 number on that?

14 DR. BROWN:

15 Her next report, we'll talk about it. Thank
16 you very much.

17 MR. MORIN:

18 You're welcome.

19 MS. MARVE:

20 Thank you, Cy. Next, Karen Andrews or Teresa
21 Delafosse for the Waste Tire Program Fiscal Update.

22 MS. DELAFOSSE:

23 Theresa Delafosse, Fiscal Officer. I have a
24 fiscal update for the Waste Tire Management Fund.

25 DR. BROWN:

1 Before you start, let me make this comment.
2 This is not going to be pretty. The Waste Tire
3 Program is in very bad shape. We've all saw it
4 coming, and it's here. So just so you know, this is
5 not going to be very pretty. I think the next item
6 on the agenda are some discussion points that I'm
7 going to walk through. But as she goes through
8 this, I reallocate it's here and now.

9 MS. DELAFOSSE:

10 These numbers I have as of April 30th. There
11 has been some activity since then that will not be
12 reflected. We had a budget balance at the end of
13 April of negative \$300,000. We had paid processor
14 payments or the total deposits -- sorry --
15 8.7 million dollars, and the total processor
16 payments were 9.1 million dollars, with an ending
17 cash balance at the end of April of 1.25 million
18 dollars.

19 We did have a BA-7 approved Monday at the
20 Joint Legislative Committee on the budget, which
21 gave us additional budget authority of 3.145 million
22 dollars, which represented the same number that we
23 carried forward in cash at the beginning of fiscal
24 year '17.

25 Based on our current projections, we'll expend

1 all of the cash for the current year, and we'll
2 carry forward a budget balance -- a cash balance --
3 a budget balance of negative \$1 million.

4 I know y'all will have questions. So I'll
5 just keep it brief and answer specific questions, if
6 you have any at this time.

7 MS. ANDREWS:

8 I'm Karen Andrews. I'm the Secretary. One of
9 the things I would like to mention is that budgets
10 and cash don't always match. But we have to have
11 both pieces in order to pay Processors. We may have
12 budget and we don't have cash. What that means is
13 we can't pay the 100 percent. What we have, as of
14 last week, is we had cash but we did not have
15 budget.

16 And, again, we have to have both of those
17 pieces to work together in order to make payments to
18 the Processors.

19 DR. BROWN:

20 Let me make a quick comment. Of course, we'll
21 take questions. We noted this program has been
22 operating for years, probably since its inception,
23 where a deficit of roughly 800 to 900 thousand
24 dollars a year that we were not collecting from a
25 Generator's standpoint. In other words, we didn't

1 have projects that exhausted our ability to pay, so
2 we kept a balance from year to year, just because we
3 didn't have the projects.

4 Well, the projects are now becoming a reality,
5 and we don't have enough money in the fund. If we
6 processed every tire that is collected in a year in
7 this State, we'll continue to run the \$800,000
8 deficit. So, as we move forward, we, as the
9 Department, are going to correct that on the front
10 end. Okay. We are going to correct that front end,
11 with or without the Task Force. We are not going to
12 be caught not having enough money to pay the bills
13 that are coming in.

14 When we start talking about in-markets, we
15 start talking about having these great projects,
16 we've still got to have enough money coming in on
17 the front end to pay the Processors, even at a 7 and
18 a half cent rate. So that's kind of where we are.
19 We're running this \$800,000 deficit, and it has
20 finally caught up with us.

21 We had enough money to make partial payments,
22 but we didn't have the budget, because we hadn't
23 anticipated all the of large sums going out. We
24 knew, if we ever got projects that took every tire
25 that was processed, we would run out of money. So

1 as a Department, we are going to fix that.

2 Hopefully, we have the Task Force to support
3 us. But with or without the Task Force, we've got
4 to fix the program, otherwise the program is dead in
5 the water. Everybody understands that.

6 Having said that, any questions regarding the
7 financial aspects of where we are?

8 MS. ANDREWS:

9 I would like to address the question that was
10 asked --

11 DR. BROWN:

12 Is your mic on?

13 MS. ANDREWS:

14 No. I would like to answer the question about
15 fund reductions that took place this fiscal year.
16 So we did have \$764,000 of cash taken from the Waste
17 Tire Management Fund through budget reduction
18 through the legislature and the Governor's office.

19 MR. VINCENT:

20 At one time or were there several?

21 MS. ANDREWS:

22 There was two of them. One was 262,000, and
23 one was right around 505,000. So the total was
24 \$767,000. And then last year, fiscal year '16, we
25 had 534,000. And in fiscal year '15 we had 548,000.

1 So, as you can see, this actually contributed to the
2 problem we are seeing with the cash. That total is,
3 you know, 1.8 million dollars. But it's not a
4 solution to the inherent problem of what Dr. Brown
5 was speaking of. This would have bought us two or
6 three months, at most. We still have the same
7 problem. So at the end of the year we are not
8 bringing in enough revenue to cover the processor
9 payments.

10 MR. VINCENT:

11 Give me the number again.

12 MS. ANDREWS:

13 Sure. It's 549,000. And I'm rounding the
14 numbers. That was '15. I'm sorry. '16 was
15 534,000.

16 DR. BROWN:

17 And just for the record, every time I go
18 before either the House appropriation side or Senate
19 finance, I remind them that we don't get any general
20 funds to operate. And, of course, we are part of
21 the State family, and so we do contribute to the
22 budget to the tune of 1.8 million so far in the last
23 three years.

24 However, at some point, if this continues,
25 then we are going to come back and we'll have our

1 hat and our hands out, asking for some State general
2 funds. So I am hoping that they get the point, that
3 they can't keep coming -- because they see a fund
4 balance sitting over here. As a matter of fact, the
5 fund balance now is showing negative. I don't want
6 to ever be in that position again.

7 Mr. Vincent?

8 MR. VINCENT:

9 On the BA-7, that was on Monday, to clarify
10 that, that did not have anything to do with monies.
11 It was only budget authority.

12 MS. DELAFOSSE:

13 That's only budget authority. Our budget
14 authority for the year prior to that was
15 9.772 million dollars, and with the addition of 3.1
16 million, it brings us up to 12.918 million dollars.

17 DR. BROWN:

18 And the budget -- just explain the budget,
19 just the historical usage of the fund. Go ahead.

20 MS. DELAFOSSE:

21 Sure. The budget is typically based on a
22 combination of the cash carried forward that this
23 fund has, and then what the revenue estimating
24 conference estimate will be; the collections for the
25 fund for the year.

1 So, for example, for fiscal year '18 the
2 Revenue Estimating Conference has that we will
3 collect 11.01 million dollars. So we have
4 historically collected more than that. So we may
5 need to have R.E.C. recognize additional revenue,
6 because it doesn't look like we will have a
7 carryforward at this point in time.

8 And, again, that's based on historical
9 collections of funds. And that's how they base the
10 budget, again, what they believe we'll expend.

11 But this year's budget was reduced by the
12 cash, the donations that we made to the family. And
13 sometimes they were historical cuts. But they did
14 not do those for both of those this year, so that
15 left us with under \$10 million of budget. And also
16 based on the fact that processor payments were less
17 last year. So they thought y'all were okay with --
18 let's see what our final budget was last year. So
19 \$10.1 million dollars last year. So they assumed
20 we'd be okay with around that amount this year, and
21 that was not the case.

22 DR. BROWN:

23 Right. Mr. Benson?

24 MR. BRIAN BENSON:

25 I think what Kip was getting at, though, was

1 what the BA-7 did was a number paper plate to give
2 you authority; it didn't actually move any money.

3 MS. DELAFOSSE:

4 No. It didn't move any money. Gave us the
5 authority to spend an additional \$3 million.

6 MR. BRIAN BENSON:

7 Right. But you don't have the \$3 million, is
8 the point.

9 MS. ANDREWS:

10 And I would like to say, when the budget year
11 starts on July 1st, we are given an appropriation
12 authority based on revenues that are expected to
13 come in. Our appropriation historically is in the
14 \$10 million range. I don't have \$10 million on
15 July 1st. But that is the amount we are expected to
16 collect from July 1 to June 30th of the following
17 year. So they go ahead and give us the authority
18 based on the revenues they expect us to receive.

19 And in this case they expected us to receive,
20 they gave us that in the budget minus the 3.1
21 million dollars. They did not give us the
22 carryforward and the budget developed. They based
23 it on historical numbers. They and us thought that
24 we were going to have enough authority at the
25 \$10 million dollar mark. When we realized we

1 didn't, it was at that point -- so we -- they
2 stopped having JLCB meetings in April. And so the
3 point we recognized it was going to be a problem,
4 there was really not much -- we are at the wind of
5 the legislature at that point, which is the reason
6 we have the delay in making this most recent
7 payment.

8 DR. BROWN:

9 Right. So, to answer your question, all they
10 did was give us permission to utilize the money that
11 we had already.

12 MS. ANDREWS:

13 And that, when we received the cash, I then
14 can utilize the money. They are not saying, "I'm
15 giving you cash." They're saying, "I'm giving you
16 the authority to write a check up to X amount of
17 dollars."

18 MR. BRIAN BENSON:

19 Good. I just didn't want anybody to
20 misunderstand and think they were putting \$3 million
21 into the funds to be dispersed, and that's not what
22 happened.

23 DR. BROWN:

24 I wish.

25 MR. VINCENT:

1 So can Processors' inventories not be part of
2 that budget process.

3 MS. ANDREWS:

4 It has nothing to do with the amount of tires
5 you're expected to process. It has everything to do
6 with the amount of money we are going to collect.
7 So it's strictly based on revenues we are going to
8 receive from the Generators. It has nothing to do
9 with how much we think is going to be processed,
10 it's going to go to your project, or anything like
11 that. It's strictly based on how much revenues you
12 are going to receive.

13 MR. VINCENT:

14 I'm confused. So because a processor moved
15 material, we ran out of budget authority, but that
16 has nothing to do with what we are asking for for
17 the budget, is what you are saying. What I'm trying
18 to understand is, why can't inventories -- what
19 happened with the dealers and what is expected
20 to be --

21 MS. ANDREWS:

22 So the Revenue Estimating Committee is how the
23 budget starts, and the base of it. The Revenue
24 Estimate Conference meets, and they make an estimate
25 of what they believe is going to be collectable, and

1 that's how much your budget is based on, your
2 collections. They do not give you a budget more
3 than your collections. They sometimes give you a
4 budget less than your collections, if they don't
5 think you need the appropriation, which is actually
6 what occurred in fiscal year '17.

7 MR. VINCENT:

8 So what changed so drastically that year on
9 the generators' side of collection?

10 MS. ANDREWS:

11 Nothing. Collections were actually the same.
12 There has been no substantial change. So fiscal
13 year '15, our fee collections were 11.2 million,
14 fiscal year '16, it was 11.5 million. And we're
15 projecting as collections this year of 11.554
16 million. Very steady. And we're projecting our
17 processor payments at 12.8 million.

18 And processor payments and fiscal years prior,
19 in '15 it was 9.4 million, and '16 it was 7.1
20 million, to Processors.

21 DR. BROWN:

22 The budget has to be based on what we expect
23 to collect, and not necessarily on what we expect to
24 pay out. Because we don't have the money. We can't
25 pay out.

1 MS. LAFOSSE:

2 But like Karen mentioned, it could certainly
3 be less. If we projected that we were going to
4 collect \$30 million, RFC can recognize \$30 million.
5 But if they think the Waste Tire Management
6 Program's fund is only going to spend 11 million,
7 they can certainly choose to just give an \$11
8 million budget.

9 Based on my experience and my review of the
10 information, it appears as though, because we
11 expended less in fiscal year '15 and '16, they said,
12 okay, based on these trends, we don't need to bring
13 these back up in '17 to where we were in '14.

14 DR. BROWN:

15 And we bucked that trend?

16 MS. LAFOSSE:

17 Yes.

18 DR. BROWN:

19 Paid out more than we paid out in years,
20 because there have been projects that actually have
21 been approved that's taken large amounts of tire
22 chips. So we don't have enough money in the pot.

23 MR. DUPUY:

24 Thank you, Dr. Brown. If I am listening to
25 what we're saying, until we fix the problem and fix

1 the money, we've never going to get in the direction
2 and have a surplus.

3 So what Kip is saying, was getting to, what
4 why, with everything that we've processed and have
5 on the ground, you-all know that, according to our
6 monthly reports, we need to get the right amount of
7 money that can be paid out from that time on.

8 And until we fix the money, we're just going
9 to be -- what are we going to do at this point.
10 Because everybody thought, with the 3.1 million that
11 we were going -- the BA-7, everybody thought that
12 was going to be money to catch us up. Okay. And
13 I -- let me finish here. I want all of our dealers
14 and everybody here today, some the senator's
15 representatives totally thought all of the
16 Processors would be caught up and current after that
17 was passed. And it's not. We've only been paid
18 through March, whenever this is cut, and we're only
19 getting 66.5 percent of our money that we send in.

20 So we've got April coming, we've got May,
21 we've got June, we've got all this, but no money was
22 put in. I want everybody to understand that, and it
23 needs to be clarified, because they thought that
24 special meeting was held to get the Processors where
25 we will be caught up and everybody would be fine.

1 MS. LAFOSSE:

2 Historically there have not been budget
3 problems with the Waste Tire Management Program. I
4 would almost look at that as a vacuum. That is not
5 part of the issue going forward. That is not part
6 of the bullet list that Dr. Brown spelled out of
7 things that we need to discuss and issues that
8 needed to be addressed.

9 Again, JLCB did not meet for those several
10 months, and the payments came through in a different
11 speed than we anticipated. So we didn't address the
12 budget when we should have. If we had, y'all
13 wouldn't have known a thing about the budget side,
14 not that we're not happy to share that information
15 with you, but that wouldn't have been relevant.

16 MR. DUPUY:

17 We've been watching exactly what was there.

18 DR. BROWN:

19 Well, this is where I think we are: As I
20 stated earlier, we've been historically \$800,000
21 short. And that's based on the number of tires that
22 are generated in the State that can possibly be
23 processed. So that includes inventory. That
24 includes everything. So we were short, and it
25 finally caught up with us.

1 Now we're going to address that shortage
2 again. It's either going to be with the Task
3 Force's support or the Department taking the lead.
4 That's what I'm going to talk about in a minute. We
5 are going to get enough to cover the front end.
6 Okay. And at some point or the other we're going to
7 go to the legislature and raise fees on waste tires.
8 We have to calculate what that number is for the
9 Department for auto, medium and large. But we're
10 going to do that. But we're going to go forward
11 with some type of legislation to fix this problem.
12 We're not going to be faced with it again without us
13 taking some action, whether it be coming out of
14 recommendations from the Task Force or whether it be
15 LDEQ bills.

16 We will move forward with some type of
17 collection, because otherwise the programming, I'm
18 going to talk a little bit more about that in a
19 minute, the program is getting arrows shot at it
20 from every angle. I will talk in depth about that.

21 But from financial standpoint, on the front
22 end of collections, we are going to have enough in
23 this fund to pay for every tire, if it were
24 processed, at some point or the other. We are going
25 to have enough in the fund. We're not going to be

1 faced with budget shortfalls, authority shortfalls,
2 or money shortfalls. I want everybody to be clear.

3 I look forward to a discussion on it when we
4 get to it. You are right. We're running 800,000 a
5 year short since the beginning. We've got to fix
6 that.

7 Any other comments or questions for the
8 financial folks? No. Thank you.

9 MS. MARVE:

10 And now Dr. Brown will provide a Waste Tire
11 Program overview.

12 DR. BROWN:

13 I've already done that. The City of
14 New Orleans wants to collect tires on private
15 property. They want the authority. So they came to
16 us a week or so ago talking about the Bill that
17 we'll talk a little bit more about. I kind of
18 included it in the overview.

19 So my comment to them, to the City of
20 New Orleans via lobbyist to the legislature, so you
21 go and get the authority to go on private property
22 and pick up tires, waste tires, and you collect
23 100,000 of them, put them in one spot somewhere,
24 what are you going to do with them. Oh, well, we'll
25 have them processed. Well, who is going to process

1 them. Well, the Processors. Do you know they are
2 not eligible tires. Nobody paid a penny into the
3 fund for those tires. Their eyes got as big as a 50
4 sent piece. What can we do. Well, go put a lien on
5 their property, collect money, and then we can pay
6 for it.

7 Okay. Good luck with that. Right, Cy?
8 Right? Good luck with that. I'm going to go
9 collect 5000 tires off some piece of property and
10 I'm going to send whoever owns the property a bill,
11 and in five years we may to go court, and in ten
12 years I might get one quarter of what it cost to do
13 it.

14 That Bill is still sitting out there with a
15 few amendments. Cy, you may be able to tell me
16 exactly what the amendments are. But that's what is
17 going on with it.

18 Also, I talked to Kip once, and I asked him,
19 are you training the folks in New Orleans to process
20 tires. He said, what do you mean. I'm hearing that
21 the prisoners, City of New Orleans, Orleans Parish,
22 are going to start to process their own tires.

23 I'm like, um, interesting concept. Of course,
24 you're not training them. So that wasn't true. I
25 got a note yesterday from Sanitation representatives

1 saying, "Help. We're overrunning with tires." Then
2 we got all of these folks that, they use tire
3 dealers, they bring them in a truck load of used
4 tires, 3000 of them at a time. They through them,
5 they pick out 100 that might be worth reselling, and
6 they go dump 2500 tires somewhere, or throw them in
7 warehouse and they keep them there.

8 Okay. So then, when I go after them, I do
9 surveillance, they shut down and move. Some guy had
10 13 licenses from us under some name. I'm, like, why
11 is this guy able to get an operator's license -- or
12 what do we call it -- a Generator's license. No way
13 in the world. He has 13 of them at some point or
14 another and is upset because we won't give him
15 another one. We're not going to give him another
16 one. He doesn't need to be in the tire business.
17 We've got these used tire problems.

18 Now we have a lawsuit out there. I'm not
19 going to talk about that. But there's folks calling
20 from all over, can't get the tires picked up.
21 That's ongoing.

22 So this program has got real issues. We ran
23 out of money. And if we continue to look for
24 projects -- you are going to see a presentation in a
25 little while that might be a worthy use of every

1 waste tire we can possibly generate. But as of
2 right now, we can't pay you for them. Y'all can
3 process every tire that you have, and we'll be right
4 back here without any money to pay for it, because
5 they are not charging enough on the front end.

6 There's a bill that's come out on this Task
7 Force more than once, that is set, and nobody will
8 touch it. It won't go anywhere. But this is the
9 point. Even at 7 and a half cents, I've still got
10 to raise the fee on waste tires, I mean new tires
11 and used tires. I mentioned it to the Governor
12 already. I didn't want to introduce the Bill this
13 year, because you know what he's dealing with, as
14 far as the gasoline tax and all of the other -- the
15 corporate taxes that died. So it just was not the
16 right time to go and ask for an increase. And I'm
17 talking just on the front end. I'm not talking
18 anymore to the Processors. I'm just talking about
19 what it takes to run the program from our
20 standpoint.

21 Now, as we have our conversations internally,
22 we are going to calculate that right number, what
23 taxes of tires should be. Is it 3.50, is it \$3.
24 But that's what we're going to propose, just on the
25 front end. I would love to have Task Force backing.

1 I have to have the Task Force backing because
2 everyone understands the dire need on the front end
3 from a Department standpoint, whatever it is, the
4 medium tire size, the price we settle on, large tire
5 size, the price we settle on. Even at 7 and a half
6 cents, and we're looking at our laws that tells us
7 we have to pay the processor a minimum of seven and
8 a half cents. It doesn't say anything about how
9 much I can pay the processor. Y'all do know that,
10 right? Says a minimum.

11 We've got projects. We've got -- especially
12 if we can look at ways to grade the project that
13 tires are being used for, that number could go up,
14 without legislation, is what I'm saying. Okay. But
15 I do know that the one piece of legislation we've
16 got to have has got to be addressing what we're
17 charging for tire disposal from a new- and used-tire
18 standpoint.

19 So I just wanted to put that out there, open
20 it up for discussion, if somebody has any new
21 comments. But we've got to do something. We are
22 already dying a slow death. But the next thing you
23 know, our grave is going to be covered with waste
24 tires. And I don't think any of us wants to get
25 back to that point, you know.

1 And I'm not joking when I say there's probably
2 100,000 laying in the marshes in New Orleans.
3 Everywhere you go. We've got lots of stuff going
4 on. We're working in conjunction with the City and
5 various other entities. And we're looking at
6 putting some folks in jail that we find illegally
7 dumping. But that's just a drop in the bucket.

8 We can have a -- they are asking us for --
9 we've done two or three major sweeps. We've picked
10 up 20, 30 thousand tires, and the next week they are
11 right back dumping them.

12 So until we can find a way to address the root
13 of the problem, have worthy projects that takes
14 eligible and ineligible tires, have a supplement on
15 the back end for anybody that drives in and turns in
16 a tire. I've been toying with the idea of putting a
17 bounty on tires. Okay. Then I asked myself,
18 because I found a little pot of money, if I find a
19 way to pay 25 cents or 30 cents a tire, it's kind of
20 like aluminum cans. You very rarely see an aluminum
21 can on the ground. They've got a place to take it.
22 But if I put 25 or 30 cents on a tire, I'm probably
23 going to collect a bunch of them. Then I say, what
24 am I going to do with them.

25 Just like the City of New Orleans, I collect

1 100,000 tires, what am I going to do with them.
2 Those will have to be processed. And I don't have a
3 place that can take ineligible tires and utilize
4 them and subsidize.

5 So a lot of questions, very few answers. I do
6 know we've got to fix the finance side of things.
7 And I am going to do that. So I look for help from
8 all of you to help me do that. But it will happen.
9 By this time next year I hope to be telling
10 everybody about the successful legislation we got
11 through the guys over there; they're putting enough
12 money in this fund to keep it alive and well. And
13 then we find -- the next step is to find ways to not
14 have to contribute to the family budget, because
15 we've got to keep it whole at some point or another.

16 All right. Mr. Bernstein?

17 MR. BERNSTEIN:

18 Paul Bernstein. And, to be honest, I came in
19 with three key points to this meeting today; two
20 questions and one statement. One is that, as a tire
21 dealer association, we as a Legislative Committee
22 sort of committed ourselves to coming up, just like
23 you said, with legislation, either outside of this
24 Task Force, but with automobile dealers, with the
25 transporters, and potentially not the Processors,

1 because every time we've included them, they have
2 either walked away from the table or it's
3 complicated the situation. They are the only ones
4 in the calculation that financially benefit at a
5 great level from that. As a Generator, we collect
6 money and transfer it to the State. As a State, you
7 pay the processor.

8 So we intend, and hopefully with you, to come
9 up with something next year to address the fee
10 structure. What the State pays the Processors we're
11 less worried about as long as the fees are
12 reasonable to our consumers. That's our main
13 position.

14 My two questions coming in for today were,
15 one, what does our Association tell members that are
16 paying, collecting and paying money to the State
17 when there isn't a processor to pick up tires. What
18 should they be doing, what can they plan to do now,
19 because that's happening today.

20 And also, how can we help fast-track a new
21 processor, that we have a group that's interested in
22 becoming a processor today, under today's guidelines
23 and today's rules, how do we go about helping them
24 become a processor now. Those are my two questions.

25 DR. BROWN:

1 First of all, let me just say this, this Task
2 Force has a use. And opinions are welcome on all
3 sides. My concern is for enough finances in our
4 fund in order to stay alive. Regarding anybody that
5 wants to put in a permit app to process, that's
6 outside of this discussion. They can come and meet
7 with LDEQ anytime and discuss how they would like to
8 become a processor. That's a permitting process.

9 Regarding the transport situation, I don't
10 have an answer for you. The courts are trying to
11 decide right now what is legal and what is not.
12 Until then, we've got to have some discussion, and I
13 would like to open that up right now for that
14 discussion.

15 How do we get the tires to the processor? I
16 open it up for discussion. Mr. Benson?

17 MR. BRIAN BENSON:

18 So the first thing is, you go ahead put your
19 bill together, but the only people that actually
20 matter on the getting tires processed are the ones
21 you've just excluded. Without us, you do shit.

22 Number two, how do you -- oh, and another
23 thing, the reason that we have all of the financial
24 gain is because we have all of the financial risk.
25 It's not your money.

1 DR. BROWN:

2 Time out. Let's be civil. No bad words. Go
3 ahead.

4 MR. BRIAN BENSON:

5 Sorry about the word. It's not your money.
6 It's the consumer's money. You have no financial
7 risk, no financial reward, no part, except as a
8 collector. You can't get that through your head.
9 But that's all you are. We take care of your
10 problem. And in case you haven't realized, as of
11 last month, or a month or so ago, it is your
12 problem.

13 Number two, how do we get people to pick up
14 your tires. I'm watching my language. You support
15 what this Task Force has asked for again and again,
16 and you get out of the way. Get out of the way.
17 Because it's not your money. Get out of the way.
18 We're doing the service. Get out of our way. We're
19 the ones that have to go out and find projects.
20 We're the ones that spend millions on equipment. We
21 are the ones that get yelled at. For three years we
22 have told you what we need and for three years you
23 say, no, we're not doing that. And you want to
24 accuse us of walking away.

25 MR. BERNSTEIN:

1 You are the ones that walked away from the
2 table.

3 MR. BRIAN BENSON:

4 We went away. You put language in there that
5 would have strangled us. So I tell you what, we'll
6 agree with the language, but you agree to the
7 language that we have to sell every tire at
8 wholesale, no fees, no anything.

9 DR. BROWN:

10 Let me move on. Any other comments?

11 MR. VINCENT:

12 Yes.

13 DR. BROWN:

14 Mr. Dupuy?

15 MR. DUPUY:

16 I think that us, and myself as a member of the
17 Task Force, the Task Force has duties and
18 responsibilities. And I think that basically all of
19 the surveying from DEQ, the Processors, we have come
20 to the conclusion and came up with what needs to be
21 done. We know there is more money that needs to be
22 in the fund. We had a quorum. We took a vote. The
23 Task Force has this thing -- and I feel that what we
24 need to do from this point is to give this to the
25 chairman. The chairman needs to take this thing

1 from here, move further, and let the Task Force do
2 and take its course. And it has taken its course.
3 It's already voted.

4 And I don't think there is any need to go back
5 into the thing that needs to go from here and show
6 what it takes to make this thing where everybody can
7 get tires up, move forward.

8 I think one of the main concerns from this
9 point on is, as Processors, and I think I can speak
10 for the majority of us, where do we go from here.
11 We're getting 66 and a half percent of our money.
12 From this point on, like Mr. Chairman said, we can't
13 do anything until next year. What are we going to
14 do in getting ourselves or making ourselves whole
15 between now and next April. I think this is a very
16 important topic and something that needs to be
17 talked about now.

18 DR. BROWN:

19 Well, and I will say that we are having
20 internal discussions. We have a process in place.
21 We don't know what we're going to collect from month
22 to month. We don't know what projects are going to
23 continue from month to month. At some point we hope
24 we do find that equilibrium. But until we do, we
25 are going to follow what's in our statutes, and that

1 is a prorated system. Until we find a way to reach
2 an equilibrium, or until we find another revenue
3 source, that's sort of where we are.

4 But I will take the lead on the legislation
5 that needs to be presented. And I will bring that
6 back to this group. Because I think I've already
7 instructed our legal staff to start drafting. And
8 I'll bring that back to this group. And I'm talking
9 about, at 7 and a half cents, what I have to have to
10 have. I'm not talking about any other amount. At
11 that point, then we have that discussion. But I
12 know we've have got to have enough in our fund, even
13 to keep you whole at seven and a half cents.

14 So we are going to take the lead. We are
15 going continue to discuss this. You know, I've
16 asked this question two or three times. You know,
17 the Task Force came along when I was on the private
18 side, and I was smiling and didn't have to deal with
19 anything. And I come back, we got a Task Force.
20 All right. And I requested whether or not the Task
21 Force was worthy.

22 I believe it is, because it gives us the
23 opportunity to have this discussion and talk about
24 what it really costs to do business. Okay. And at
25 the end of the day I know what it costs to do

1 business on our end, and it's more than \$2 a tire.

2 I know I got problems with Generators saying
3 they can't get tires picked up. I know I got
4 problems with Processors that say, I'm out of
5 business. Okay. You know, it doesn't matter what I
6 got ready to pick up, doesn't matter what I got in
7 inventory, because I'm just out of business. And I
8 don't doubt any one of those three avenues.

9 So that's why I think the Task Force is vital.
10 But at this point I think we are going to have to
11 step out and take the lead, especially on some
12 legislation that we bring back to the Task Force to
13 review and then move from there.

14 So that is kind of an overview of where the
15 promise is. We've got real problems. We walk out
16 of this room, we have the same problems. But we've
17 got to decide that we are going to work it.
18 Otherwise, they are going to run out of warehouse
19 space, run out of outdoor space, our surveillance
20 guys are going to have to find a way to not write
21 you up for having more on your site than you should.

22 At some point Processors are going to be on
23 some prorated payment rate until we can find another
24 revenue source. So I would like to leave it there.
25 And then at some point we'll come back together and

1 we'll have the same discussion, hopefully with some
2 type of resolution of some of those questions and
3 outstanding issues.

4 MR. DUPUY:

5 Mr. Chairman, let me ask one question.

6 DR. BROWN:

7 One question.

8 MR. DUPUY:

9 What has come out of the Task Force, are we
10 going to take this, and this is what we are going to
11 run to the legislation with, or ignore what we've
12 already done? Are you talking about bringing it
13 back, looking at it again? I thought there was
14 studies of weighing the tires and going through all
15 this, bring it to a point to where, we saw this is
16 what we need, and we voted on it. Is this what we
17 take to the legislature? Because this is what I
18 think everyone thinks.

19 DR. BROWN:

20 I'm not taking anything to the legislature
21 right now. But what I end up doing is going to be
22 enough to keep the fund whole. It has nothing to do
23 with whether the Processors are going to be paid or
24 not paid. If we come to that legislation again,
25 then we'll move forward.

1 But at this point I'm not going to let an
2 internal dispute put the Department at risk. I'm
3 going to make sure I got enough money to operate a
4 fund. I'm not going to put the Department at risk.
5 I will work within the Task Force. I will work with
6 everybody involved.

7 But, keep in mind that I'm not going to stall,
8 I'm going to move forward with keeping the
9 Department whole. And that's where my concern is
10 right now.

11 MR. DUPUY:

12 Dr. Brown, as Possessors, we are very
13 concerned. We need to get ourselves whole. What
14 are we going to do between now and then? I think
15 that's why all of us are here.

16 DR. BROWN:

17 That's two different things. Between now and
18 then, as I said, whatever we get from a revenue
19 standpoint, that's what we're going to pay out. I
20 mean, we can't generate any more funds coming into
21 the fund, so we're going to have to pay accordingly.
22 I hope we find equilibrium. In other words,
23 somebody is not going to have a project for two or
24 three months or we get some influx of money from the
25 Generators. We are going to pay you based on what

1 we have in the fund, and right now it's at zero.

2 MR. DUPUY:

3 Are we going to okay projects based on what is
4 in the checkbook, is what you just said?

5 DR. BROWN:

6 Well, we are going to pay you a prorated rate
7 of what we have. We have already got projects that
8 are already approved. But at some point -- we can't
9 stay in a negative balance. I can't pay you what I
10 don't have.

11 MR. VINCENT:

12 Dr. Brown, if I could make a comment here. We
13 understand the prorate. We've been doing that since
14 2001. Okay. We have gotten through that. The
15 Processors have sheltered everybody involved in the
16 programs by absorbing the costs, the interest
17 payments, the lines of credit, everything that we
18 had to do to stay in business to overcome those
19 shortfalls.

20 And at this point it's the markets we have to
21 have to pick up tires, to bring them to a facility,
22 to process them, to look at them on your facility,
23 because you don't have a market approved to take
24 them to -- it costs even more money in operations to
25 have to dump rubber, re-load rubber, move rubber at

1 another time, your trucking. I mean, it is
2 counterproductive not to have markets. Markets are
3 what makes the program happen. Markets are what
4 have to happen. Whether the money is there or not
5 is another issue. Okay.

6 But if we don't have a place to take material,
7 the Processors, I don't care who you have, that you
8 are going to bring to this State, I don't think they
9 are going to want to do it for free. Okay. If they
10 don't have markets approved, if they don't have the
11 ability to get paid 100 percent, or get paid at all,
12 like we've been through the last couple of weeks, I
13 don't know why anybody would want to come to this
14 State right now.

15 DR. BROWN:

16 I know everybody understands what I'm saying
17 about the fund. Right. In other words, we've got
18 to have an increase of what comes into the fund.
19 Until we get that increase, unless we have some
20 major influx that we reach an equilibrium, then we
21 are going to be paying at a prorated rate.

22 MR. VINCENT:

23 I understand. What I'm saying, it's markets.
24 You have to have a place to take them and deal with
25 the money.

1 DR. BROWN:

2 That's not what the guy next to you on your
3 left is saying.

4 MR. DUPUY:

5 What I'm saying is the same thing, Kip. If
6 you take the material, and you don't have an end
7 use, and stack it, you get 66 percent on it. Once
8 you move it on that mound, you have to move it
9 again, and you are not getting paid, when you can
10 take it in a truck and go straight --

11 DR. BROWN:

12 I understand what you're saying.

13 MR. DUPUY:

14 In other words, Kip is saying, if you've got
15 the markets, you are steady flowing.

16 DR. BROWN:

17 I don't think I said I'm going to deny your
18 market. I'm telling you we don't have money. We
19 have to pay you a prorated rate.

20 MR. BERNSTEIN:

21 In 2015 the DEQ provided a spreadsheet that
22 included tire sales, processor payments, a summary
23 in projections. Could get an updated projection of
24 payouts and collections from the DEQ to formulate a
25 current projection of what the fees should be to

1 cover payouts?

2 DR. BROWN:

3 I don't think there is any problem with
4 providing that.

5 Mr. Benson?

6 MR. JIM BENSON:

7 Dr. Brown, I'm Jim Benson, Benson
8 Environmental. Would it be too much to ask for
9 everybody present to take 66 percent of their salary
10 and we get paid in full?

11 Would that be asking too much?

12 DR. BROWN:

13 Well, I understand what you're saying.

14 MR. JIM BENSON:

15 We would be asking tire sellers to take
16 66 percent.

17 DR. BROWN:

18 It's either 66 percent or zero. I understand.
19 I can't pay you what I don't have.

20 MR. JIM BENSON:

21 It goes in one ear and out the other. They
22 still get their full amount of money. We are the
23 only one that is suffering. Nobody cares.

24 DR. BROWN:

25 That's not true. I do. I do care. That's

1 sincere.

2 MR. JIM BENSON:

3 I'm sincere, too.

4 DR. BROWN:

5 That's why I didn't want to get the increase.
6 Even at seven and a half cents, you won't ever be at
7 that prorated rate. You get paid for what you
8 process.

9 MR. JIM BENSON:

10 If you do not double the fee, you are not
11 going to do any good. That's straight out.

12 DR. BROWN:

13 I understand. That's why I got the folks
14 looking at what the number is going to be. I know
15 we have done calculations already close to where
16 that is. But we'll recalculate.

17 MR. JIM BENSON:

18 The gross national product will tell you that
19 what they could buy in 1992 for \$2 will cost you
20 \$3.78 today.

21 DR. BROWN:

22 Got you. Thank you, sir.

23 MR. YOUNG:

24 Bill Young. I represent the motorcycle
25 dealers. Two meetings ago we come up with

1 formulated -- worked several formulas and came up
2 with a budget balance. I'm curious as to what
3 happened with that, why we are not moving forward
4 with that with the legislature. I mean, I don't
5 think we can get it through the legislature right
6 now.

7 DR. BROWN:

8 Anybody want to discuss that? Why don't you
9 do that, Kip.

10 MR. VINCENT:

11 I can tell you that there was opposition to
12 those numbers and that the tire dealers were one.
13 The transportation department was another. And we
14 could not find anybody to sponsor the Bill without
15 full cooperation.

16 MR. YOUNG:

17 Thank you.

18 DR. BROWN:

19 Does that answer your question?

20 MR. YOUNG:

21 Yes.

22 DR. BROWN:

23 All right. Any other comments? I guess my
24 opening remark was the program is on life support,
25 and if we don't do something, we are all going to be

1 buried with tires on top of our graves.

2 Ms. Marve?

3 MS. MARVE:

4 At this time we'll have a presentation from
5 Delta Entergy.

6 MR. ROLLINS:

7 Mr. Chairman, John Rollins. I'm at Delta
8 Entergy.

9 DR. BROWN:

10 Good to see you.

11 MR. ROLLINS:

12 Good to see you. We are a company in Delaware
13 Port Parisian licensed to do business in
14 Mississippi. We are designated beneficiary end user
15 for a tire processor no longer in operation in
16 Louisiana. And despite everything I've heard here
17 in this discussion, and that fact, we are
18 nevertheless very pleased to bring you up to date on
19 what we're doing and what our aspirations are to
20 create what Mr. Vincent referred to as a market.
21 And we think it's very substantial.

22 Our company started about 17 or 18 years ago
23 as a result of an owner of a materials science
24 company back in Pennsylvania who was from a small
25 farm in North Dakota. He and his family members and

1 his company financed development of technology
2 that's been attempted by lots of people. There's
3 lots of dead bodies in the tire pyrolysis just
4 laying around.

5 Working through a series of iterations and
6 eyelet plant expansions they came to the conclusion
7 that it was about time to try to put a commercial
8 operation together and that North Dakota was
9 probably not the tire center that would support such
10 an event.

11 We looked for a place to situate such an
12 operation and settled, based upon some supply
13 arrangements and so forth in Natchez, Mississippi.
14 We have completed the relocation of that pilot plan.
15 We have demonstrated its operation consumed about
16 two million pounds worth of Louisiana origin rubber
17 last year. And we have received investor
18 commitments to take that plant to what would be
19 100 tons a day of operating capacity, and we are
20 proceeding with that effort.

21 What we do is in a vacuum; heat and the
22 presence of a catalyst, proprietary catalyst. We
23 separate the carbon solvents from the rest of the
24 elastomers that are on the tire. There is some
25 residual steel in the process. We collect that up

1 and sell it. And we have customers for both the
2 liquids and the solids that come out of the process.
3 We get about 135 gallons or 53 percent of what we
4 put into the process out of a condensable liquid.

5 We get about 37 percent and 735 or -40 pounds
6 in the form of a carbon black, that's called a
7 covered carbon black, because it's only about 80
8 percent carbon black. The rest of it is the
9 chemical residue solids that are in the tire
10 formulation; silica, accelerants, antiozonants,
11 antioxidants, that sort of thing. And about 10
12 percent of the mass is non-condensable; that is, it
13 remains in the gaseous state.

14 In the pilot operation to date we have burned
15 that material. It is, however, about 70 or
16 80 percent propanes and butanes, propenes and
17 butenes.

18 DR. BROWN:

19 When you say, burn, with a flare?

20 MR. ROLLINS:

21 With a flare. And what our plan is is to
22 compress condensable gases, compressible condensable
23 gases out of that -- liquids out of that gas. This
24 is a photograph of some of the equipment that's
25 installed in Natchez. [Viewing slides]. We have

1 about \$10 million invested to date. That's
2 machinery, the inevitable operating losses when you
3 are talking about a machine that's not able to
4 generate enough profit based upon its capacity at
5 today's prices, and we are comfortable with the
6 lessons that we have learned in the first 15 months
7 running this. We are ready to now go ahead and
8 build that 100-ton, a series of these production
9 units in Ferriday. It's probably less important of
10 what we're convinced of than the people who have
11 provided the money for this.

12 This is the RJ Lee Group who provided the
13 first money in the development. Ridgley is the
14 fellow from a little town in North Dakota. He's a
15 Ph.D. physicist. It's a company called RJ Lee
16 Group, a suburb of Pittsburgh, Pennsylvania.

17 Our majority ownership has been assumed/
18 purchased by a company named Castleton Commodities,
19 Inc., International. Castleton Commodities is a
20 very large commodities trader by name. They have an
21 operation here in the State of Louisiana down from
22 New Orleans on the river. They have a metals
23 warehouse and so forth. They're on the London
24 Metals Exchange. They do the normal trades and so
25 forth.

1 As to the trading organization only, they are
2 distinctive in that they are investors in
3 manufacturing operations. And after about six or
4 seven months worth of due diligence examination,
5 they concluded, they drunk the tea, I guess you'd
6 call it, or the Cool-aid, I guess you could call it.

7 DR. BROWN:

8 They're ready.

9 MR. ROLLINS:

10 They are ready. And the ambition is to put a
11 plant together that will be able to operate and
12 consume tires and process those two products. Our
13 initial shareholder besides the basis group was
14 Bridgestone Tire and Rubber.

15 Bridgestone Americas Tire and Rubber put the
16 seed money into the plant, paid for us to relocate
17 it, build it out. They are a substantial owner and,
18 more importantly, from our point of view, they have
19 committed to buy all of the carbon black that we can
20 produce for a period of up to 10 years. It's
21 extendible for longer, up to 25.

22 They have qualified departments for the
23 recovered carbon, as it's called in the trade. They
24 have used it in their products. It is approved to
25 go into tires. In order for us to get into

1 passenger car tires, we have to establish an ISO
2 9000 because of quality control and liability issues
3 and so forth. They've been a very active
4 participant with us in the plant very, eager to us
5 to build.

6 DR. BROWN:

7 So you are saying they signed the contract
8 already?

9 MR. ROLLINS:

10 They are an owner. More than a contract.
11 They gave us money. We have a long-term supply
12 agreement with them to provide them with carbon
13 solids from this plant as well as a number of other
14 plants they would like us to pursue.

15 The other aspect of these, too, is we think
16 it's a big win potentially for Louisiana. We, being
17 on the river across from Vidalia and Ferriday and so
18 forth, most of our -- many of our employees came
19 from the State of Louisiana.

20 We will require about five million tires a
21 year to process that, feed that plant. We get about
22 two thirds of a tire that can be reduced down to the
23 size of the project we use, which is normally three
24 quarters of an inch, no bigger, and no smaller than
25 a quarter of an inch, 7/8ths to a quarter, within

1 that range.

2 The result of that sort of processing is about
3 two thirds of a tire that can be converted into
4 chips that we can use, and about a third is the
5 substantial amount of wire, although not all of it,
6 the fiber, although, not all of it, and the
7 undersized rubber and so forth that's either
8 attached to the wire or fiber or is free.

9 We are ready to move forward. We are funded.
10 We've been interviewing a number of contractors, EPC
11 contractors from both here in Baton Rouge as well as
12 Houston and St. Louis, and are executed to go
13 forward in that development plan.

14 We think there is a benefit to the tire
15 Processors. To have that amount of tires processed
16 is going to require a very substantial part of the
17 tires that are generated both in Mississippi as well
18 as certainly in Louisiana.

19 We understand that this is not the first group
20 that's talked the big talk. We think we are
21 different in a couple ways. We think we can give
22 evidence that, as a customer, we have defined
23 evidence markets, we have capital behind us, and we
24 have a group of people who have confidence in the
25 technology that we are doing. And we are here,

1 basically here for information to talk about what
2 we're doing.

3 We will be resuming operations on a limited
4 basis in about 90 to 120 days. We will take the
5 plant from the existing one-line, bringing on lines
6 in pairs over a period of time, so that in about 12
7 months it will increase to 35 tons a day, and
8 70 tons a day, about 45 days this year, and then
9 105 tons a day.

10 The plant runs 24 hours a day, hopefully
11 365 days a year. We obviously delayed and provided
12 for uptime and repairs and so forth. But it's a
13 continuous process. Runs 24/7. I think it's also
14 obviously good for the environment. These are
15 products; liquids that go back into the oil
16 business, they go back into chemicals, oil field
17 chemicals, and other markets.

18 Essentially we don't generate any waste water,
19 very limited amount of emissions, basically just the
20 liquids from the tank and when we load the materials
21 and so forth. And about 98 percent or 97 percent of
22 what goes in comes out, goes out into a product.

23 Our goal is to get it done, go forward. We
24 will be talking to the Processors about supply
25 arrangements. That's really all I wanted to do,

1 other than to say, I'm standing-in here for the
2 president of our company, Jeffrey Flannery. Jeff
3 Flannery unfortunately -- fortunately from my point
4 of view -- had the closing today for the financing I
5 told you about. I was very willing to come and sit
6 in for him.

7 DR. BROWN:

8 Thank you for coming. Couple of quick
9 questions before I turn it over to the Task Force
10 members. Might have 5 million tires a year, is you
11 are saying you are projected to process?

12 MR. ROLLINS:

13 Again, I want to use round numbers. 5 million
14 tires is roughly three and a half million for feed
15 stock for us, and the other million and half
16 equivalent is from rubber and fiber and steel.

17 DR. BROWN:

18 Got you. I don't know if you had
19 conversations with all of the tire Processors or
20 just a few, but all in all, we base our assumptions
21 on about 4 million tires a year in this State. And
22 so every processor tire that's generated would be
23 consumed, if it all came your way.

24 MR. ROLLINS:

25 Which it probably won't.

1 DR. BROWN:

2 Most businessmen don't put all their eggs in
3 one basket. However, you do plan to subsidize or
4 pay a fee to the folks that deliver tires to you,
5 either eligible or ineligible? That's the first
6 question. Answer that first.

7 MR. ROLLINS:

8 The answer is yes. How much is really what
9 the size of the tire is; how much processing do we
10 have to do, if it is a primer shred versus --

11 DR. BROWN:

12 That gets to my second question. In other
13 words, yes, a subsidy, whoever delivers the tire to
14 you --

15 MR. ROLLINS:

16 Yes.

17 DR. BROWN:

18 You do have certain specs on material that you
19 have to have? In other words, if they bring chips
20 to you, you still have to process them to your spec;
21 is that correct?

22 MR. ROLLINS:

23 Somewhere in this process in Mississippi and
24 in Louisiana, it's going to be necessary, given the
25 Processor and the equipment that the Processors

1 have. Generally speaking, it's going to be
2 necessary for additional processing equipment to be
3 installed; that is, size-reduction equipment. It's
4 kind of confusing.

5 DR. BROWN:

6 Yes. You got a smaller spec you talked about.

7 MR. ROLLINS:

8 Either we do it or the Processors do it. That
9 ends up being a kind of discussion. In the final
10 analysis it's pounds, amount of work, freight it
11 takes to get it to us and so forth. It will be a
12 business transaction.

13 DR. BROWN:

14 That is what you work out with whoever is
15 delivering product to you?

16 MR. ROLLINS:

17 Yes.

18 DR. BROWN:

19 Last question for me, you were using Louisiana
20 Elastomers.

21 MR. ROLLINS:

22 Yes, sir.

23 DR. BROWN:

24 And they are no longer in business?

25 MR. ROLLINS:

1 No longer in business.

2 DR. BROWN:

3 All right. And are you looking to utilize
4 that facility at some point in time or is this not
5 in your equation?

6 MR. ROLLINS:

7 Until sometime today we weren't really in a
8 position to make any kind of commitment to anybody.
9 We'll look at that. We have down some kind of
10 sample mathematics that relate to a number of tires
11 that can be processed for a Processor, for someone
12 who is in the collection/processing business, to
13 spread costs based on the kind of equipment, how
14 many -- forgive me -- how many Processors do you
15 need in the State, if you will. Mississippi has
16 one -- well, two, if you count one way up in the
17 corner.

18 We think that there is an arrangement that
19 would be viable for existing Processors and for
20 ourselves. If no more entered market, perhaps one
21 more will enter the market, if no more enter the
22 market, we think there is a business relationship
23 that can be developed that will work for both of us.
24 It has to work for both.

25 It is a good thing we are proposing to you,

1 but somebody somewhere has to cover that and make a
2 little profit.

3 DR. BROWN:

4 I'm not an overly religious man, so I'm
5 counting on you. All right.

6 Any questions for Mr. Rollins?

7 MR. DUPUY:

8 Mississippi is doing three, three and a half
9 million generating by themselves?

10 MR. ROLLINS:

11 Well, we can't really account for all of us.
12 Should be. Population-wise we should be.

13 MR. DUPUY:

14 You say, as far as the whole tire stock,
15 there's three million?

16 MR. ROLLINS:

17 As you know in this business, we talk PTE's.

18 MR. DUPUY:

19 Right. The one you talked about up in the
20 corner, the one who is doing all of the volume in
21 Mississippi?

22 MR. ROLLINS:

23 Most of the business. That's right.

24 MR. DUPUY:

25 That facility right there would keep you

1 loaded by itself.

2 MR. ROLLINS:

3 You are talking about Saltillo?

4 MR. DUPUY:

5 Max. Liberty. Liberty is the city and Max
6 Recycling was the facility, which is liberty now.
7 They are doing all of the volume in the State of
8 Mississippi now?

9 MR. ROLLINS:

10 It is true.

11 MR. DUPUY:

12 Basically. So they're right there on the
13 corner and getting other states also.

14 MR. ROLLINS:

15 Mississippi, I am told, was a mass tire
16 importer. And most of those tires pass through
17 there; some come from Memphis, and they all go to
18 Wholesome, the cement business in Alabama. And they
19 never influenced, never were a part of -- first of
20 all, as you know, distance is everything. I look at
21 the map. I look to see how far is it to
22 Baton Rouge, how far is it to Shreveport, how far is
23 it to Lafayette and Jackson and other sources of
24 suppliers. My thinking is, I want to talk to each
25 one of you about, what is a way we both end up

1 achieving what we want to achieve.

2 MR. DUPUY:

3 I think that if you took everything that they
4 had, Liberty would come to you right away. I know
5 that.

6 MR. ROLLINS:

7 It's 265 miles. It makes no economic sense.

8 MR. DUPUY:

9 They were running -- I wouldn't want Dr. Brown
10 to think this fixes his problem.

11 MR. ROLLINS:

12 That's a decision you-all have to make. I'm
13 just saying I'm the guy who is opening the door and
14 looking for commitments for tire supply beginning
15 effectively 11 months or 12 months and thereafter.
16 And we expect this plant to run for a long time.

17 MR. DUPUY:

18 35 tons a day?

19 MR. ROLLINS:

20 100 tons a day of feed stock. That means 5000
21 tons a year of gross material.

22 MR. DUPUY:

23 Basically what we're looking at, Dr. Brown, in
24 this Task Force is looking to clean the tires up in
25 the State and get them out of here, get them ground

1 up, off the ground, out of the woods and swamps.
2 100 tons a day is not a lot.

3 MR. ROLLINS:

4 Excuse me?

5 MR. DUPUY:

6 That's not a lot.

7 MR. ROLLINS:

8 Five truckloads a day is not a lot?

9 MR. DUPUY:

10 There's a couple of us that's doing four to
11 five a day now.

12 MR. ROLLINS:

13 Seven days a week?

14 MR. DUPUY:

15 Right. But that's not increasing -- you're
16 still, at 100 tons, you will be taking all of these
17 here, taking Mississippi too. What I'm saying, you
18 are not putting a big, big dent in here, not like
19 taking everything this State has. That's all I'm
20 saying.

21 MR. ROLLINS:

22 My mathematics say that a tire is 25 pounds,
23 and generating 4.7 million tires a year, gross, or
24 4.5, whatever your number is, that would almost
25 fulfill everything that we would run as a material.

1 Now, I don't expect that it will ever make
2 sense for us to get every tire in the State. Nor do
3 I think, as a prudent businessman, as Dr. Brown
4 suggested, people are going to want to have
5 100 percent of their eggs in one basket until they
6 see plant run, see that we're as reliable, to say,
7 as International Paper, has been as a customer,
8 Wholesome Cement, or that kind of thing.

9 I expect you will want to hear how we are
10 doing, and we'll be happy to come back and give you
11 updates from time to time.

12 MR. DUPUY:

13 I think we'll all be watching, hope it's good
14 and successful.

15 DR. BROWN:

16 We'll talk about markets. If this becomes
17 one, it can be a great end use for tires in the
18 State. Whatever agreement that the Processors enter
19 into for eligible and ineligible tires, that
20 agreement hopefully will be honored. Regardless of
21 whoever is processing, whether it be Mississippi or
22 Texas, we have an agreement with these folks.
23 That's what we all are hoping for.

24 Any other questions for Mr. Rollins? Before
25 you ask, I have to get to the Capital, and so Vice

1 Chairman Vincent will finish the meeting up here.

2 If you are still here, Tyler, the only thing I
3 want to discuss regarding House Bill 589 is the
4 amendment, if you have a copy of it. Ultimately the
5 amendment just talks about whatever funds they
6 collect, we will put into the Waste Tire Fund to
7 cover the tires for processing. And you know it.

8 I'm going to step out. I do expect us to
9 behave. And we have our folks, Ellie is here.
10 Herman is here. Our General Counsel. And we'll
11 postpone and move along if we can't behave. But I
12 expect us to.

13 Thank you for your time. I think it's very
14 good use, I do pray, because there are lots of dead
15 bodies buried in the pyrolysis business. And that
16 is a fact. If this process can be proven to be move
17 past the pilot plant stage and actually process
18 100 tons a day -- again, it's all about reaching an
19 equilibrium. Once we get them all going, you've got
20 the Processors, hopefully we have an in and out way
21 of dealing with any tires we've got to deal with.

22 I just want to thank you for coming down. And
23 I want to continue the dialogue.

24 Mr. Vincent, the floor is yours.

25 MR. VINCENT:

1 I understand there would be a subsidy payment
2 or y'all would be paying for materials. Without
3 going into specifics, do you ever see that with the
4 economics that are in play with the transportation
5 costs of being a positive for the Louisiana
6 Processors, as far as covering all costs to process
7 and all costs to deliver materials in your facility?

8 MR. ROLLINS:

9 I don't think you will be in business or we
10 will be in business unless we cover all our costs.

11 MR. VINCENT:

12 We've had discussions, so that is one of the
13 problems that these two industries have had over the
14 years, is you have a high-tech industry working on
15 its numbers. We have a tire recycling industry
16 working on its numbers. Trying to mesh those two
17 industries together that makes sense has been a
18 challenge for the 32 years I've been in this
19 business. And there never seems to be enough money
20 from either side to make these ventures work. So I
21 would hope that we could get that with tonnage.
22 Maybe that is the answer. I don't know. But I
23 think that is the challenge that, like you stated,
24 275 miles away doesn't work. Well, there's tires in
25 Louisiana that are going to go quite a ways to get

1 to your facility, eventually.

2 MR. ROLLINS:

3 That's right.

4 MR. VINCENT:

5 It's not just the processed material that
6 would have to get there, 275 miles, whatever. So
7 thank you.

8 MR. ROLLINS:

9 My pleasure.

10 MR. DUPUY:

11 Do y'all have any intention at all of taking
12 in any whole tires at your facility?

13 MR. ROLLINS:

14 Probably. Really depends. If we end up
15 striking a deal, for example, to purchase primer
16 shred, and, obviously, we're processing -- we're
17 prepared to put the equipment in to process it. At
18 that point, being where we are and being in
19 Mississippi, we are probably going to be presented
20 with Mississippi tires. There is no particular
21 practical way that I can see a tire Generator in
22 Louisiana come across unprocessed to us, as I
23 understand the program. But I don't understand as
24 well as you do.

25 My expectation is, if we did receive whole

1 tires, they would be Mississippi tires.

2 MR. DUPUY:

3 Right. I know you said Bridgestone was
4 basically a stockholder or part owner.

5 MR. ROLLINS:

6 Yes, sir.

7 MR. DUPUY:

8 Is the State of Mississippi also part owner in
9 this same --

10 MR. ROLLINS:

11 We've taken -- all we've done --

12 MR. DUPUY:

13 They haven't furnished any machinery?

14 MR. ROLLINS:

15 No. We have not had any use of their tire
16 grants, funds, or anything at all.

17 MR. DUPUY:

18 I know they feel they work with you toward
19 that.

20 MR. ROLLINS:

21 I think they are -- it's hard to get them to
22 say that in kind of a definitive way. It's all sort
23 of murky, and we might be able to and so forth.
24 We've not built any assumptions in that we rely upon
25 that to occur. If it happens, it's great.

1 MR. DUPUY:

2 Sometimes, if you do this, you are obligated
3 to them on their tires, then they let you go outside
4 of theirs.

5 MR. ROLLINS:

6 That was not in our discussion with them.
7 Again, there is nothing written down. All they
8 wanted to do is, if we did anything with them, there
9 would be Mississippi tires in the system. We are
10 not relying on that. We don't need to do that.

11 One of the very nice things is that we have
12 two owners that are financially capable and they are
13 only interested in one thing; that's the product.
14 And obviously one of your companies' owners is named
15 Commodities. They understand that the commodities
16 business, the lowest cost producer wins. Right.

17 And so this is about being an efficient
18 processor, about the quality of the products. When
19 we recover these carbon solids, for example, they go
20 back into the tire, they are gauged in their
21 performance versus the stuff that Cavender, Sid
22 Richardson, the people that are virgin carbon
23 producers make. There isn't any allowance for --
24 well, it's not quite as good. It's okay. That's
25 part of what got Bridgestone, in my belief,

1 persuaded to become an investor; a reliable
2 consistent quality of material.

3 MR. VINCENT:

4 Mr. Rollins, you made a statement that y'all
5 need to become 9001 certified to put the product
6 back into the passenger tires?

7 MR. ROLLINS:

8 Yes.

9 MR. VINCENT:

10 So there is a contract with them to take the
11 carbon. What are they using the carbon black for?

12 MR. ROLLINS:

13 Not in passenger tires. I can't reveal --
14 it's not in passenger tires.

15 MR. VINCENT:

16 Truck, I would think?

17 MR. ROLLINS:

18 No. I think you would to go somewhere where
19 there was -- not conditions that would -- not that
20 we have any concerns about it, nor do they. The
21 quality requirements -- this is all about liability.
22 This is all about demonstrating we have the process
23 under control, just like any other supplier has to
24 do, and that's a process. It takes time to plan, to
25 get it done, which you need to be in a commercial

1 operation.

2 MR. DUPUY:

3 Low cost of the oil, being low now, I know
4 y'all have got to be watching that, got to be a
5 concern to you-all of the oil under the ground in
6 the State of Mississippi, they just walked away from
7 now, but they are going to come back at a later day.

8 What kind of concern is this to you?

9 MR. ROLLINS:

10 Part of what we spend a good deal of time on,
11 ourselves, was looking -- the invention of the oil
12 market in the last three or four years, they
13 mentioned one thing, there is a bottom to the market
14 as well as a top. It seems to go down to whatever
15 that bottom is. And our objective was to
16 demonstrate that, even when it got down to the
17 bottom, we could break even, we can pay our bills.

18 Nobody in this business thinks it's going to
19 stay at the bottom forever. But nobody should think
20 that it won't go back down again. That's the nature
21 of the commodities business.

22 MR. VINCENT:

23 Any other questions from the Task Force?

24 MR. BRUCE:

25 John Bruce. Mr. Rollins, I understand you

1 stated that y'all had to be ISO 9000 certified.
2 Y'all also require your suppliers to be ISO 9000
3 certified?

4 MR. ROLLINS:

5 I don't see how that we would be able to
6 unless -- well, no. The answer is no.

7 MR. VINCENT:

8 Any other questions? Thank you, Mr. Rollins.
9 The next agenda item is HB 589. Tyler, did you want
10 to come up and talk about the amendments?

11 MS. MARVE:

12 Actually, it's Vice Chair Elliot.

13 MR. VINCENT:

14 He's here. Elliot is going to do that.

15 MR. VEGA:

16 I'm Elliot Vega, Assistant Secretary of DEQ.
17 As Dr. Brown noted earlier, we do have one bill
18 that's currently over at the legislature that has
19 the potential to impact the Waste Tire Program. HB
20 589, as originally proposed, it simply gave the
21 governing authority, municipalities, the governing
22 authority to adopt ordinances that would allow them
23 to regulate waste tires on private residential
24 property. That included the ability to levee fines
25 associated with that ordinance or violations of the

1 ordinances, as well as provisions to allow the
2 employees of municipalities or its contractors to
3 enter onto private property to collect, pick up
4 tires that have been dumped on private property.

5 That bill was -- it went to House of Local and
6 Municipal Affairs, passed out of committee, went to
7 the floor of the House. It was amended there. That
8 amendment specified that any fines that were imposed
9 pursuant to the ordinance would be sufficient to
10 cover the cost of processing the waste tires. And
11 that such amount will be deposited into the Waste
12 Tire Management Fund.

13 It also then went on to say any tire collected
14 by the municipality in accordance with this
15 ordinance shall not be deemed a program eligible
16 tire. So, though, in its current configuration, it
17 requires the money to go to the Waste Tire Fund that
18 the municipalities collect. But the tires are not
19 eligible tires, and I'm not sure how many will be
20 adopting such an ordinance if the language remains
21 as it is.

22 It has currently been assigned to the senate
23 local committee, Local and Municipal Affairs. I
24 don't think it's schedule to be heard. I haven't
25 heard anything.

1 AUDIENCE MEMBER:

2 Next week.

3 MR. VEGA:

4 I just heard next week. It's somewhere along
5 the line, someone may offer an amendment, but we'll
6 see.

7 MR. VINCENT:

8 Do we know why it hasn't gone into the
9 environmental committees having to do with tires?

10 MR. VEGA:

11 I would have to defer. I am not sure. Maybe
12 initially -- initially it wasn't dealing with the
13 Waste Tire Fund. It may now end up having to go
14 back, now that the fund has been brought in. We'll
15 have to wait and see.

16 MR. VINCENT:

17 Mr. Dupuy?

18 MR. DUPUY:

19 Elliot, when we say we're taking the fines and
20 putting that into the Waste Management Tire Fund,
21 who is going to pay for those tires when the
22 municipality goes and gets them? Is this money
23 wanting to come out of funds, or are they going to
24 pay for them? I guess my question is, why are they
25 moving them, putting it in the tire fund, if

1 somebody else is going to pay for them?

2 MR. VEGA:

3 The way -- this was not, not my amendment.
4 I'll say that. But what the amendment, what it
5 does, says the monies will be deposited in Waste
6 Tire Fund, but the tires will not be eligible tires.
7 So the monies would go in, but the monies wouldn't
8 come back out for processing of these tires.

9 MR. DUPUY:

10 That can't happen.

11 MR. VEGA:

12 Well, I can't imagine it will happen if we
13 don't have a non-session ordinance. If they would,
14 I guess it will be great, help provide little extra
15 money into the fund. But we will not be obligated
16 to process the tires that are being addressed.

17 There's a little bit of confusion. I expect
18 there would be an amendment.

19 MR. DUPUY:

20 Thank you very much.

21 MR. BENSON:

22 I know it's municipalities. But have they
23 considered if they are going to do it including
24 parishes? There is a lot -- I know it's a problem
25 in New Orleans, but in other parts of the State

1 theres a greater issue with illegal tire dumps
2 showing up in rural areas than in municipal areas.

3 MR. VEGA:

4 Its something I noted, it is limited to
5 municipalities, that is the representative from the
6 New Orleans area, although it applies to any
7 municipality. Whether or not they would be willing
8 to amend that to expand it, I'm not sure. This is
9 not a DEQ Bill.

10 MR. VINCENT:

11 Any other comments on HB 589? The next agenda
12 item is other business.

13 Do we have any other business that needs to be
14 talked about?

15 MR. YOUNG:

16 A couple meetings ago I left here. And I
17 forgot -- and I apologize -- they had some posters
18 for retail stores to put up. I contacted the legal
19 office in Lafayette. They don't have a clue about
20 the posters. My question, when are they going to be
21 made available so we can give them out to our
22 dealers?

23 MR. VEGA:

24 Elliot Vega. I believe they should already
25 have those. I believe those have already been

1 distributed quite some time ago to the regional
2 office. We will be on the phone this afternoon, I
3 guess, with the regional office and see what the
4 problem is. But it's my understanding those have
5 been delivered to the regional office.

6 MR. YOUNG:

7 I've made several contacts to the Lafayette
8 office manager; please call me when they got them so
9 I can give them to dealers in our area. I'll call
10 them again.

11 MR. VEGA:

12 We certainly can get some.

13 MS. TOWNSEL:

14 Get with me afterward.

15 MR. VINCENT:

16 Any other business? Any public comments?

17 All right. Being none, do I have a motion?

18 MR. BERNSTEIN:

19 Move to adjourn.

20 MR. VINCENT:

21 So moved.

22

23

* * * * *

24

END OF PROCEEDINGS

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REPORTER'S PAGE

I, ROBIN REYNOLDS, Certified Court Reporter, in and for the State of Louisiana, the officer before whom this sworn testimony was taken, do hereby state:

That due to the spontaneous discourse of this proceeding, where necessary, dashes (--) have been used to indicate pauses, changes in thought, and/or talk-overs That due to the spontaneous discourse of this proceeding, where necessary, dashes (--) have been used to indicate pauses, changes in thought, and/or talk-overs, or (....) have been used to indicate trailing at the end of the sentence; that same is the proper method for a Court Reporter's transcription of a proceeding, and that dashes (--) and/or (....) do not indicate that words or phrases have been left out of this transcript;

That any words and/or names which could not be verified through reference material have been denoted with the phrase "(phonetically spelled)."

1 REPORTER'S CERTIFICATE
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3 This certification is valid only for a
4 transcript accompanied by my original signature and
5 original required seal on this page.

6 I, Robin Reynolds, CCR (Certificate #94019)
7 in and for the State of Louisiana, do hereby certify
8 that on May 24, 2017, the depotype of the foregoing
9 Task Force Meeting was reported by me in
10 stenographic shorthand, prepared and transcribed
11 under my personal direction and supervision, and is
12 a true and correct transcript to the best of my
13 ability and understanding; that after having been
14 duly sworn by me upon authority of R.S. 37:2554, the
15 named witness did testify as hereinbefore set forth
16 in the foregoing 81 pages; and that the transcript
17 has been prepared in compliance with transcript
18 format guidelines required by statute or by Rules of
19 the Board;

20 That I am informed about the complete
21 arrangement, financial or otherwise, with the person
22 or entity making arrangements for deposition
23 services and I have acted in compliance with the
24 prohibition of contractual relationships, as defined
25 by Louisiana Code of Civil Procedure Article 1434

1 actual knowledge of any prohibited employment or
2 contractual relationship, direct or indirect, between a
3 court reporting firm and any party litigant in this
4 matter, nor is there any such relationship between
5 myself and a party litigant in this matter;

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

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10 SIGNED THIS THE 8 DAY OF June,
11 2017.

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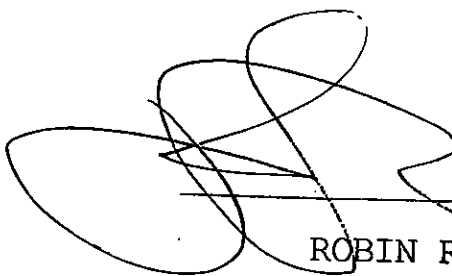
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ROBIN REYNOLDS, CCR
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