



Baton Rouge Area Chamber.

*Leading Economic Development
in the Baton Rouge Area*

Dear Baton Rouge,

Our economic position as a community has taken a hit. In the last two weeks, three East Baton Rouge manufacturing companies announced layoffs totaling one thousand people out of work. To compound the issue, we did harm to ourselves when our school board, amidst confusion about state rules, voted against a manufacturing incentive application from ExxonMobil that created new jobs and readied our city to compete for major new investments. In response, and with a sharply-worded statement, ExxonMobil's national management pulled its applications from consideration.

These last few weeks, and especially ExxonMobil's action, send a message, and are sounding a loud alarm bell across the business community. We hope it is also sounding an alarm to every citizen in Baton Rouge.

Since the changes to the Industrial Tax Exemption Program (ITEP) three years ago, our community has been divided. For decades, ITEP was the solution to our state's overly-complicated and burdensome business tax structure and followed a policy design for manufacturing incentives offered by most states. It lowered the cost of manufacturing in Louisiana to levels that allowed us to compete nationally and globally.

For the last decade, while the United States has seen declines in manufacturing, Baton Rouge bucked the national trend and saw this sector grow. But today, Baton Rouge's commitment to the manufacturing sector is deeply uncertain. Our elected officials can work to stabilize things, but only if we as a people tell them to.

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Since the changes to ITEP, our community has allowed misinformation and misdirection to affect our long-term economic decision-making. And these practices have put our economic future at risk. Manufacturing drives the Baton Rouge economy. Every job in manufacturing creates almost nine more jobs across the community. Attracting more capital investment and creating jobs are objectively good things, but somehow they've been reframed by activists as bad for Baton Rouge.

This is the issue: ITEP is necessary and helpful to securing new manufacturing investments and jobs. Rules have been created to guide this program but, after this week, there is little trust that rules and guidelines matter. Decisions about incentives should follow clear and objective rules and ensure accountability and predictability for both companies and local governments. Public meetings about them should demonstrate civility and follow dispassionate, predictable processes, leading to fact-based decisions that benefit the community and public good.

It's time for radicalism to be turned away and replaced with common sense. It's time for reasonable people to speak up. We can't stand by and watch as ExxonMobil, our community's largest taxpayer — \$100 million statewide annually — and our parish's greatest philanthropic giver, is vilified. We can't stand by and watch as a small, angry group spreads misinformation and shouts away investments from our largest manufacturer. You shouldn't either, because this issue affects us all.

Call your local officials. Ask them to show through actions, not words, that they want to grow the Baton Rouge economy with future manufacturing investments, and to create a common sense and predictable policy for ITEP, and stick to it. The time to act is now.

Sincerely,

The Directors and Officers of the Baton Rouge Area Chamber Board