

**Testimony of David Darbone
President of Grand Oaks, Inc.
Chair of the Board of Commissioners for the Port of Lake Charles**

“Rebuilding the Gulf Coast: Small Business Recovery in South Louisiana”

Senator Vitter and Landrieu, thank you for inviting me here today to discuss important issues that we face in our region. As a local general contractor and Commissioner of the Port of Lake Charles, I have been immersed in the day to day rebuilding efforts of our city. When Hurricane Rita came blowing through our city, I was one of those people who decided to stay and weather this storm. My home and family did manage to make it through the storm with no one being injured and minimal damage to our home. Unfortunately many others did not have the same result as we did. The day after the storm I assessed the damage in my neighborhood and some of the surrounding area. I managed to gather my crew from wherever they had taken refuge and brought them to my house where we used our generator to supply electricity and went to work clearing trees off of homes and trying to do as much hurricane triage as possible.

As people started returning to their homes the intensity picked up in terms of everyone trying to get their homes repaired at the same time and contractors trying to do as much as they could to help. With approximately one hundred licensed contractors doing as much as they could as fast as they could, the job was overwhelming. The local Home Builders Association became a critical part of helping people by providing information about local licensed contractors, and over time we helped rebuild our community. Our regional and local senators have done a great job in working together to overcome the insurance increases that hurricane victims had to deal with by trying to stabilize the cost that people have to add to an ever-decreasing income. The Home Builders Association continues to provide continuing education to builders about hurricane code changes and new laws that the state now requires. Our challenge today is to educate as fast as we can before new regulations are implemented.

As the Chairman of the Commissioners for the Port of Lake Charles, I am proud to say that we have been able to work with our senators and representatives, local and regional, to get their help in providing funds to allow us to grow our community. The Port of Lake Charles is the twelfth largest port in the country and the fourth largest port in Louisiana. The Port and surrounding businesses along the channel provide an economic impact of \$4.5 billion dollars in business revenue, \$2.3 million in personal income, \$250 million in state and local taxes, and 31,000 jobs.

The passing of WRDA, the Water Resources and Development Act, was critical to the Port. This bill provided \$15 million dollars to install rock along the banks of the channel to prevent erosion. The Port continues to maintain our channel which is not only critical to our community, but to the nation as well. With the completion of Sempra LNG our channel corridor will provide twenty percent of the nation’s natural gas supply and four percent of the nation’s oil supply. This is the reason we continue to ask our senators to

fight for more funds for us to maintain the channel. At this point we have \$14 million dollars in our budget to do that, but that leaves us with a deficit of \$7 million from what the total cost is. We are faced with a need of over \$400 million dollars over the next twenty years to maintain our channel. Our need is great, but what would happen to the nation if we couldn't provide them with heat in the winter?

And finally we are thankful for the GO Zone opportunity. The Port of Lake Charles helped the Lake Charles Co-Gen plant secure \$1 billion dollars in GO Zone bonds to build their new gas plant here that will provide up to 350 high paying jobs. We think an opportunity to extend the ability to offer GO Zone bonds to new industry interested in locating in Louisiana is very important to economic development.

The Port is not only focused on bringing in new jobs, but closing the labor gap by offering scholarships to Sowela, our local technical community college, in an effort to get people the training they need to work for these new companies. Sowela is in need of repairs that are ongoing, but their need is greater than hurricane repairs. The sooner they can get the college running at full speed the sooner we can get skilled labor needed for existing jobs. There are many companies in Lake Charles that have a need for skilled employees but cannot find them. These are challenges that we need to overcome to continue the work of growing Southwest Louisiana.