



1    **APPEARANCES:**

2    The Honorable Terry G. Kilgore, Chairman

3    The Honorable Frank M. Ruff, Vice Chairman

4    The Honorable Charles R. Hawkins, Chairman Emeritus

5    The Honorable James S. Cheng, Secretary of Commerce and Trade

6    The Honorable Kathy J. Byron

7    The Honorable Barnie K. Day

8    The Honorable Joseph P. Johnson, Jr.

9    The Honorable Daniel W. Marshall, III

10   Mr. Buddy Mayhew

11   The Honorable Edward Owens

12   The Honorable Phillip P. Puckett

13   Mr. James C. Thompson

14   The Honorable William C. Wampler, Jr.

15

16   COMMISSION STAFF:

17   Mr. Neal Noyes, Executive Director

18   Mr. Ned Stephenson, Deputy Director \_

19   Mr. Timothy Pfohl, Grants Program Administration Manager

20   Ms. Stephanie Wass, Director of Finance

21   Ms. Sarah Capps, Grants Coordinator - Southside Virginia

22

23   COUNSEL FOR THE COMMISSION

24   Mr. Francis N. Ferguson

25

1 DELEGATE KILGORE: I'm going to call the  
2 Executive Committee meeting to order. This is my first time chairing the  
3 Executive Committee, probably easier than chairing the Southwest  
4 Committee.

5 Neal, would you please call the roll?

6 MR. NOYES: Delegate Byron?

7 DELEGATE BYRON: Here.

8 MR. NOYES: Secretary Cheng?

9 SECRETARY CHENG: Here.

10 MR. NOYES: Mr. Day?

11 MR. DAY: Here.

12 MR. NOYES: Senator Hawkins?

13 SENATOR HAWKINS: Here.

14 MR. NOYES: Delegate Johnson?

15 DELEGATE JOHNSON: Here.

16 MR. NOYES: Delegate Marshall?

17 DELEGATE MARSHALL: Here.

18 MR. NOYES: Mr. Mayhew?

19 MR. MAYHEW: Here.

20 MR. NOYES: Mr. Owens?

21 MR. OWENS: Here.

22 MR. NOYES: Senator Puckett?

23 SENATOR PUCKETT: Here.

24 MR. NOYES: Senator Ruff?

25 SENATOR RUFF: Here.

1 MR. NOYES: Mr. Thompson?

2 MR. THOMPSON: Here.

3 MR. NOYES: Senator Wampler?

4 SENATOR WAMPLER: Here.

5 MR. NOYES: Delegate Kilgore?

6 DELEGATE KILGORE: Here.

7 MR. NOYES: We have a quorum, Mr. Chairman.

8 DELEGATE KILGORE: Can I have a motion to  
9 approve the Minutes?

10 SENATOR WAMPLER: So moved, Mr.  
11 Chairman.

12 DELEGATE KILGORE: It's been moved and  
13 seconded. All those in favor say aye? (Ayes.) All right, the Minutes are  
14 approved.

15 We have two issues to discuss. We also have our next  
16 Executive Committee meeting on the 28th of April at 4:00 in the afternoon,  
17 ahead of the reception. It will be right here at the Hotel Roanoke.

18 All right, the first item on my Agenda today is going to be a  
19 discussion of the Coal Commission, Uranium Study (Grant No. 2056).

20 Ned.

21 MR. STEPHENSON: Mr. Chairman and members  
22 of the Committee, in recent weeks we've had several applications come to us  
23 that really had significant policy issues, and we're outside of the policy  
24 guidelines for the various subcommittees. As you know, historically the  
25 Executive Committee has not been a grant making committee because it

1 does not have a line item in the budget, but these didn't particularly work in  
2 other committees, so at the direction of your Chairman they are before you.  
3 In particular No. 2056, which is a request from Virginia Commonwealth  
4 University, which is essential to support the Massey Cancer request.

5 DELEGATE KILGORE: Let's go to the easiest  
6 one first.

7 MR. STEPHENSON: Thank you. This is a  
8 request for \$200,000 to conduct a study on the effect of uranium mining in  
9 southern Virginia, and in particular if you choose to approve this, I think the  
10 vehicle, the route would be that you should authorize your Executive  
11 Director to pay for the study out of administrative funds and not from a  
12 committee or a budget line.

13 DELEGATE KILGORE: Do we have that in the  
14 --

15 MR. NOYES: -- The general account is what  
16 would be used, to add to what Ned mentioned. This is the economic impact  
17 study, and this is not the safety-related study being paid for by the industry.  
18 In talking with Chairman Kilgore I was advised that \$150,000 should suffice  
19 for this purpose, rather than the 200,000 that was originally requested.

20 SENATOR HAWKINS: Mr. Chairman, I  
21 understand there's a combination of recommendations being made by  
22 various groups for a study to take place. We need coordination between the  
23 studies that are ongoing.

24 DELEGATE KILGORE: I would say that David  
25 is here from William & Mary, and I would say that the scientific study is

1 ongoing right now. Am I correct, with the National Institute?

2 SENATOR HAWKINS: National Research  
3 Council.

4 DELEGATE KILGORE: With the National  
5 Research Council. I heard this week, and this is from Delegate Marshall,  
6 about a study that is being undertaken by --

7 DELEGATE MARSHALL: -- There's a group in  
8 Danville called the Regional Foundation, and they've gone out to the  
9 marketplace to get proposals, and I forwarded that to Staff to make them  
10 aware of this. They're supposed to have that social economic study  
11 sometime this fall. Now, their footprint of the study will be a 50-mile radius  
12 of the Chatham site. It's not a statewide study, but it's within 50 miles of that  
13 site. The question I would have, if you're going to dig for uranium, what's  
14 the difference between Chatham and Orange County or anywhere else. I  
15 asked them what was their budget, and they wouldn't tell me, but they said it  
16 is significantly more than the budget that we were asking for.

17 SENATOR HAWKINS: Mr. Chairman, can I  
18 make a suggestion? We have Staff to call the Foundation and work out  
19 some sort of coordination between them so there is no duplication.

20 DELEGATE KILGORE: Yes, if they will do that.

21 MR. NOYES: Senator, I'd be happy to do that, but  
22 the way the application has come in, it's come from the Coal and Energy  
23 Commission, and perhaps that coordination may best be accomplished by  
24 the recipient of the funds.

25 SENATOR HAWKINS: I think we know

1 someone. Would it be appropriate then that someone from our Staff contact  
2 the Foundation, as well as work with the Foundation and work out some  
3 coordination to make sure we're not spinning our wheels, and they can  
4 indicate what's going on and coordinate it?

5 DELEGATE KILGORE: Yes.

6 MR. BOVENIZER: I'm David Bovenizer and  
7 counsel for Delegate Lee Ware, who chairs the study subcommittee. The  
8 suggestion to coordinate with the Danville or similar studies was suggested  
9 during the General Assembly. This proposal nonetheless is being pursued so  
10 we could bring the study subcommittee and could maintain and conduct its  
11 own study independent even from the Coal & Energy Commission.  
12 Coordinate, yes, but the findings could be different and the approach could  
13 be different.

14 SENATOR RUFF: Can I have a time frame on  
15 when these various studies would be finished?

16 MR. BOVENIZER: Yes, sir, Senator Ruff. We've  
17 been in touch, and this list is not comprehensive, but it includes William &  
18 Mary and the Weldon Cooper Center at the University of Virginia, George  
19 Mason University, Virginia Commonwealth University and Old Dominion.  
20 Each has expressed an interest in conducting a social economic study. I can  
21 indicate the different methodologies that will be employed. Half of the  
22 universities say the study would be conducted somewhere between 80 and  
23 200 thousand dollars. One of the proposals is as high as 3.5 million.

24 DELEGATE KILGORE: We won't take that one.

25 MR. BOVENIZER: Secondly, all the universities

1 were unanimous in suggesting that two things needed to be done or needed  
2 to be accomplished before the social economic study could be conducted  
3 successfully. Number one, information from Virginia Uranium about its  
4 own mining plan. Secondly, they'd like to coordinate with the technical side,  
5 which is the study being conducted on the feasibility of uranium mining in  
6 the Commonwealth by the National Research Council and National  
7 Academy of Science. The bottom line is that Delegate Ware's thought is that  
8 the Uranium Subcommittee should conduct and be responsible for a social  
9 economic study. Number two, it needs to be coordinated at least with, say,  
10 the Danville Foundation, then with the National Academy of Science.

11 SENATOR HAWKINS: Mr. Chairman, the only  
12 problem I foresee with two or three different studies trying to accomplish the  
13 same thing is controversial in some aspects of this. If we have two entirely  
14 different studies trying to reach the same conclusion and find out that one  
15 study says A and one study says B, we've really created another problem.  
16 There's got to be some way we can bring together this expertise and need to  
17 come up with the actual facts dealing with the problems that we're trying to  
18 prevent and have a report. I'm concerned about having three or four  
19 different sorts of reports given by various groups, which I don't think will  
20 clarify anything, and they may even make it more unclear.

21 DELEGATE KILGORE: I think the scientific  
22 study, that's the only one going, because that is a very detailed and very  
23 scientific undertaking. There are only a few people who can do that. As far  
24 as the social economic study, I think the concern was that nobody knows  
25 what the Foundation study involves.

1 MR. BOVENIZER: The study is a qualitative  
2 source, even as we see with controversial e-mails from the global warming  
3 science. On the one hand, the technical study will be objective and  
4 scientific. The social economic study has to get in very much on issues of  
5 quality of life, which is much more difficult to quantify. In terms of how  
6 many studies, and again, speaking for Delegate Ware, and his thought is that  
7 if you wait for the subcommittee itself, it needs to have charge of the  
8 particular kind of studies, and the methodologies of that study could be  
9 discussed at a public hearing, the scope of the study defined precisely and  
10 the objectivity of the study maintained.

11 SENATOR RUFF: Mr. Chairman, just to follow  
12 up on the question I asked before. I was looking for a time frame when the  
13 study would be completed.

14 MR. BOVENIZER: Well, all five of the  
15 universities say they would need between eight months and two years and  
16 pretty much the same type of time frame as the technical study.

17 SENATOR RUFF: Mr. Chairman, one study that  
18 has not been mentioned is the one that Virginia Beach is doing. They are  
19 focusing on the health and the basis of the effects on their water supply on  
20 the river basin. They're not worried about our area, and shall we worry  
21 about their area. They're going to have a preliminary by late summer, and if  
22 this shows a negative impact we will know that at that point. So therefore,  
23 Mr. Chairman, I'd recommend that we hold this off until the fall after we at  
24 least find out what the safety issues are.

25 DELEGATE MARSHALL: Mr. Chairman, my

1 recommendation is if we're going to have an Executive Committee meeting  
2 in two weeks or the 28th, my suggestion is that we direct Staff to talk to the  
3 Danville group and whoever else is out there and then come back to us in  
4 two weeks with more knowledge. We don't have enough information to  
5 really know what the other groups are doing right now in order to make a  
6 decision on this.

7 SENATOR HAWKINS: Mr. Chairman, if I may,  
8 let me modify --

9 DELEGATE KILGORE: -- Let me call on Buddy.

10 MR. MAYHEW: I make no secret of the fact that  
11 I have an interest in the uranium situation. I think that if there were not a  
12 significant determined effort against this from day one that we wouldn't be  
13 having this discussion here today. I think it's fairly obvious who the people  
14 are that would like to see this postponed or derailed or put aside or changed.  
15 We've heard from the gentleman here representing Delegate Ware that the  
16 Coal & Energy Commission, who is the entity representing the State of  
17 Virginia, would very much like this to be their study, and they're not  
18 particularly interested in combining it with another group who has an  
19 interest of their own as to the way the study might turn out. In other words, I  
20 don't think we can really prove an unbiased look, a hands-off look from a  
21 completely independent entity on this very important aspect of the uranium  
22 mining in our area. If we're going to try to pull in all these other groups that  
23 already we know where they stand and we know what their intent is, either  
24 stall it, postpone it or stop it any way they can. I think it would be a mistake  
25 for us to go down that road.



1 MR. DAY: I second Buddy's motion.

2 SENATOR HAWKINS: Which motion is that?

3 MR. MAYHEW: I move that the Executive  
4 Committee ask the Executive Director to appropriate the necessary funds up  
5 to \$200,000 to the Coal & Energy Commission to fulfill the request to do  
6 this social economic study that's on the books or on the Agenda today.

7 MR. DAY: I second the motion.

8 SENATOR HAWKINS: May I make a suggestion  
9 before we start allocating sums of money, that Mr. Bovenizer, speaking for  
10 Delegate Ware, and that the Coal & Energy Commission, which has been  
11 given a mandate by the General Assembly to do this study, have them  
12 contact the Foundation in Danville and other groups with the authority of the  
13 Coal & Energy Commission to coordinate the monies that are being spent by  
14 us and them to make sure that the study achieves the goal that needs to be  
15 achieved and legitimate answers to it. It's my understanding, Buddy, that  
16 you want two different studies?

17 MR. MAYHEW: Yes, sir. They can have as  
18 many studies as they want to, but if they're interested in an unbiased study,  
19 why would they not put money into this one and say, okay, we want to help  
20 out here, but it's not going to be unbiased.

21 MR. BOVENIZER: I can speak for Delegate  
22 Ware and say that he's aware of all these other intentions. He simply  
23 believes that the subcommittee could be the, it could have rabbit ears,  
24 whether it's a commission study or any other study, while cooperating with  
25 them.

1 DELEGATE KILGORE: Is Delegate Ware's  
2 intention to have a public meeting to consider the parameters of this study to  
3 get public input on that?

4 MR. BOVENIZER: Yes, sir, by all means. The  
5 same sort of hearings that were conducted, scope of hearing discussions that  
6 were conducted on the technical side.

7 SENATOR RUFF: Speaking against the motion, I  
8 think it will create jobs and it will create wealth, and there's no question  
9 about that. I think the first question that needs to be answered, is it safe.  
10 That's correct. We first need to find out if it's safe. Are we going to spend  
11 money before we know that it can be proven that it'll be safe? If we spend  
12 money before it's proven that it's safe, that's irresponsible.

13 DELEGATE MARSHALL: Mr. Chairman, I have  
14 a substitute motion. That we direct Staff to investigate what other studies  
15 are being done by Danville or any other groups and report back to us at the  
16 next Executive Committee meeting on April 28th.

17 SENATOR HAWKINS: I'm trying to get my  
18 hands around this. I have some understanding of the attitude of people  
19 involved in this. It's my understanding that the Coal & Energy Commission  
20 has been charged by the General Assembly through a subcommittee to do a  
21 comprehensive study, is that right?

22 MR. BOVENIZER: Yes.

23 SENATOR HAWKINS: These other groups that  
24 are willing to put money into play to do other studies need to coordinate  
25 with the Coal & Energy Commission to have those monies flow to you all to

1 be able to conduct that study. I don't understand why there would be  
2 reluctance to put money into a legitimate state study that's been authorized  
3 by the General Assembly, because that's the only thing that's going to carry  
4 the weight of the Commonwealth of Virginia, and other studies will not.  
5 Am I correct in that?

6 MR. BOVENIZER: Let me see if I understand.  
7 Are you saying would the Uranium Study Subcommittee not be interested in  
8 doing a social economic study? The answer to that question is no.

9 SENATOR HAWKINS: I'm trying to get a feel --

10 MR. BOVENIZER: -- One of the reasons why  
11 we're here is to maintain the integrity and the independence of the Uranium  
12 Study Subcommittee, even from the Coal & Energy Commission. On this  
13 particular aspect of the study, the social economic study, Delegate Ware  
14 thinks it would be a mistake to have private funds, say for example from  
15 Virginia Uranium.

16 SENATOR HAWKINS: The Foundation would  
17 not fall under that category.

18 MR. BOVENIZER: As it's been remarked, the  
19 independence of other studies, he thinks that the Uranium Study  
20 Subcommittee can be assured of the independence of any studies it conducts.

21 SENATOR HAWKINS: It reminds me of the  
22 CEO of a large corporation who died and three sons wanted to be appointed  
23 the new CEO, and one is an engineer, one is an architect, and one was a  
24 lawyer. They interviewed all three of them, and they brought the engineer  
25 in, and they said what's two and two, and he said four, and always four and

1 will be four, and they said thank you. They brought the architect in, what's  
2 two and two, and he said four, and no condition would change it, it's always  
3 four. They brought the lawyer in, and they said what's two and two, and he  
4 said what do you want it to be. We've got to get some sort of credibility  
5 with this. I think the General Assembly brings the credibility that we need.

6 MR. BOVENIZER: This is why we talked to the  
7 universities, for example the Weldon Cooper Center as an example. They've  
8 got a proven track record, they are objective and reliable. They report on  
9 controversial subjects.

10 DELEGATE KILGORE: Mr. Mayhew.

11 MR. MAYHEW: Mr. Chairman, I don't think it  
12 could get much plainer than what I've said here, and I think we all know  
13 what's going on here. If there was an intent on the part of whoever, the  
14 Danville Foundation or folks from Virginia Beach or whoever, but to have  
15 an honest, unbiased, hands-off study done through the authority that will  
16 give us the big answer, they would just put the money in it and say we're  
17 with you, we'll get an independent study done; and that's not what's  
18 happening here. It's as plain as can be what's going on here. I withdraw my  
19 motion, Mr. Chairman.

20 MR. DAY: Mr. Chairman, I'll withdraw my  
21 second.

22 DELEGATE KILGORE: There is a motion to  
23 withdraw, and there is actually nothing on the table right now.

24 SENATOR HAWKINS: Mr. Chairman, I'd like to  
25 ask a question. How time sensitive is this?

1 MR. BOVENIZER: Well, I'm standing here  
2 because Delegate Ware couldn't be here, which is to say it's time sensitive  
3 and it's difficult to get the panels together.

4 SENATOR HAWKINS: We meet in two weeks,  
5 that's my understanding, on the 28th. Would that give you all time to see if  
6 the Foundation is willing to contribute to the study done by the state? You  
7 can work on it and if they turn you down flatly, then we can --

8 MR. BOVENIZER: -- If it's a matter of a funding  
9 source?

10 SENATOR HAWKINS: If it's just a funding  
11 source, would they be willing to contribute to the funding with the Coal &  
12 Energy Commission and with the guidance of the General Assembly?

13 MR. MAYHEW: Mr. Chairman, along that same  
14 line, suppose we go ahead with a plan with the understanding that whatever  
15 amount they're willing to contribute should not be borne by the Commission.  
16 Why put it off?

17 DELEGATE KILGORE: Senator Wampler.

18 SENATOR WAMPLER: Mr. Chairman, I'd ask  
19 everybody to take a deep breath and try to make, hopefully I can deliver a  
20 few comments. Mr. Chairman, I hope I can make a few comments that  
21 would be logical and maybe help bring us where we want to go. If the  
22 Executive Committee wanted to make a motion today, I would make the  
23 following and see what the temperature is. I bring this perspective to you.  
24 The legislature ultimately is the body that has to make the decision on  
25 whether we move forward on this particular venture. I would put great

1 weight on what the recommendation of the Coal & Energy Commission  
2 might eventually report to us. I would say I hope that report is sooner than  
3 later. I think when you look at the economic impact or potential impact if it  
4 is representing an area that extracts minerals and impacts our local economy,  
5 and I understand many of the questions that are going through the  
6 communities' minds now, and justifiably so. I think the sole focus today  
7 ought to be are we willing as a Commission to authorize an amount up to  
8 \$200,000 that would be directed toward the Coal & Energy Commission  
9 work.

10 Mr. Chairman, my second point would be I hope we could  
11 coordinate those studies through the Coal & Energy Commission to the  
12 extent that we can. Subjectively, I would say there may be some entities that  
13 don't wish to have their study be part of the scope of Coal & Energy. I don't  
14 think we should hold the process waiting on what those studies may or may  
15 not be or when they might commence or might conclude. I would hope,  
16 hopefully, as a legislature we would ultimately have the benefit of as many  
17 studies as possible.

18 So I see that our work today is, first, are we willing to commit  
19 an amount up to \$200,000, and I would suggest we give that discretion to the  
20 Executive Director to enter into an agreement with the Coal & Energy  
21 Commission. Then, Mr. Chairman, in the best way that our Director can,  
22 hope that we could make it as an inclusive a study from the depository  
23 standpoint and receive any and all other studies that might be there. If the  
24 Committee is willing to entertain a motion at the appropriate time, we'll  
25 condense that to make a motion, but that is what I think our charge is and

1 where we are. I realize there is not an agreement.

2 DELEGATE KILGORE: Senator Wampler, how  
3 would you phrase that motion?

4 SENATOR WAMPLER: In its most simplistic  
5 form it would be that we authorize the Executive Director to expend an  
6 amount up to \$200,000 to the Coal & Energy Commission Uranium  
7 Subcommittee.

8 Secondly, that we encourage the Coal & Energy Commission to  
9 include as many of those other studies as may be practicable.

10 MR. MAYHEW: Mr. Chairman, I so move.

11 SENATOR WAMPLER: I'd probably make the  
12 motion.

13 MR. DAY: I'll second that.

14 SENATOR HAWKINS: Mr. Chairman, question.  
15 It's my understanding that Senator Wampler's recommendation for a motion  
16 includes all studies that we've had at this point. It brings in an obligation to  
17 do a regional study and also bring in the outside elements into one or under  
18 one umbrella. I think it's a study that we can probably bring discussion on  
19 today, and that's my question. It's been moved and seconded, and I call for  
20 the question.

21 DELEGATE KILGORE: I thought you had a  
22 motion on the table, a substitute motion that died.

23 MR. FERGUSON: Mr. Chairman, that motion  
24 didn't have a second in any event.

25 DELEGATE KILGORE: And I think it was

1 withdrawn.

2 Now, I understand we have a motion and a second. Did you  
3 want to renew your substitute motion?

4 DELEGATE MARSHALL: Let's get it straight.  
5 State exactly what the Senator's motion is.

6 SENATOR WAMPLER: Mr. Chairman, there are  
7 two main points. The first point would be that the Executive Committee  
8 authorize our Executive Director to expend an amount up to 200,000 to the  
9 Virginia Coal & Energy Commission Uranium Subcommittee for purposes  
10 of executing a study that the chair of that subcommittee has communicated  
11 to this body.

12 Secondly, that our Executive Director encourage to the greatest  
13 extent he can the Uranium Subcommittee to accept any and all other studies  
14 that may produce themselves during the time that they are performing the  
15 study. Subjectively, Mr. Chairman, may I? I don't know if the other studies  
16 may not wish to share with the Coal & Energy Commission, they may or  
17 may not. I just don't know, and that's why I think I have a hard time  
18 including, I don't know if the Coal & Energy Commission can command  
19 anyone to do anything.

20 SENATOR HAWKINS: Mr. Chairman, may I add  
21 something to the motion? To encourage the Coal & Energy Commission to  
22 coordinate with other groups in the study.

23 DELEGATE KILGORE: Would you take that in  
24 your motion?

25 SENATOR WAMPLER: I think that's

1 encompassed in that, but as always, Senator Hawkins clarifies in a glorious  
2 manner.

3 DELEGATE KILGORE: And, Delegate Marshall,  
4 do you --

5 DELEGATE MARSHALL: -- Yes, sir, I'm good.

6 DELEGATE KILGORE: Any other discussion on  
7 this issue? We have a motion which has been amended and a second. Are  
8 the members prepared to vote? All those in favor say aye? (Ayes.)  
9 Opposed?

10 SENATOR RUFF: No.

11 DELEGATE KILGORE: The motion passes.  
12 Thank you, David.

13 Now, we'll go to the next issue, VCU. Ned.

14 MR. STEPHENSON: Mr. Chairman, VCU has  
15 approached the Commission asking for \$10 million to support Massey  
16 Cancer Center effectively to conduct clinical trials and many of them  
17 throughout Southside Virginia and Southwest Virginia. There are a couple  
18 of policy issues that caused this to really come before the Executive  
19 Committee. This was presented to your Reserve Panel for funding, and the  
20 Reserve Panel deferred to the Executive Committee because the Reserve  
21 Program had some requirements that did not meet, such as there be another  
22 funding source that required a match. There are issues regarding whether  
23 this money is spent in the tobacco footprint or outside of the tobacco  
24 footprint. There are other funding sources suggested in the application, but  
25 they're not clearly identified, and we're not sure whether there would be

1 other funders other than the Commission. The request is for \$10 million,  
2 and it's before you for your consideration.

3 DELEGATE KILGORE: Ten million dollars over  
4 two years?

5 MR. STEPHENSON: Yes, sir.

6 MR. NOYES: Mr. Chairman, \$10 million over  
7 two years, five million this year and five million next year in fiscal year 12.  
8 However, it envisions using the Reserve Account. The Reserve Account has  
9 ample funds at this time, I believe, to do that. Ordinarily what we would do  
10 is to book that entire amount, because if we just did the five million and then  
11 didn't do for some reason the second five million, it's not the same project.  
12 So we would book \$10 million now but not disburse it except over a longer  
13 period.

14 DELEGATE KILGORE: Let's hear from VCU.

15 DR. GINDER: I am Gordon Ginder with the  
16 Massey Cancer Center. As Mr. Stephenson noted, this proposal is actually a  
17 proposal for a three-part project. The first part of this is directed specifically  
18 to increase the quality of care and prevention and control for Southside and  
19 Southwest tobacco counties through programs primarily in clinical research  
20 and prevention and control. The majority of that portion, that two and a half  
21 million, almost the entirety of that would be spent in the tobacco footprint.

22 The second part of the proposal is for the development of basic  
23 and translational clinical research that would be carried out at the Massey  
24 Cancer Center, and that would be the engine that would drive the clinical  
25 research that would go into Southside and Southwest counties.

1           Then, the third is the clinical trial network throughout the  
2 Commonwealth of Virginia, which would also bring the clinical trials and  
3 prevention control throughout the Commonwealth. We understand this  
4 doesn't fit the usual criteria. The goal here, quite simply put, is to alleviate  
5 suffering and death and adverse economic consequences of cancer to the  
6 people not only in Southside and Southwest but throughout the  
7 Commonwealth. This is a disease that will strike one out of two men and  
8 one out of two women and 15,000 Virginians will die this year of cancer.  
9 The goal of this is to accelerate the process of being able to cure or make  
10 people who are stricken with this disease able to live a normal, healthy life  
11 and to prevent cancer. That's really the thrust of it. We have details in the  
12 proposal, and I'd be happy to take any questions.

13                           SENATOR RUFF: Mr. Chairman, can you tell us  
14 the long-range plan of how this in the out years will be developed?

15                           DR. GINDER: The long-range plan for most of  
16 the research base, and I'll address the question, and then I want to come back  
17 to address something I did. The long-range plan is really to put a lot of this  
18 clinical research and the prevention and control aspects to attract outside  
19 general funding sources for the continuation of it beyond the two-year time  
20 frame. As you know, when you apply for large grants from the National  
21 Institute of Health for cancer you have to have a lot of preliminary data and  
22 you have to have an infrastructure to be able to make a credible case so you  
23 can carry out these large-scale trials, and a lot of it would be that.

24           The other one would be a private match, and that gets back to  
25 an issue that was mentioned by Mr. Stephenson. We do have a firm

1 commitment for a match of \$10 million from a private philanthropic  
2 donating to Massey Cancer Center. We also have a track record to give that  
3 credibility. We currently are already bringing in large amounts of private  
4 money. We have donors who have stepped up and said that they will match  
5 this funding, so we've been able to do that.

6 SENATOR RUFF: I'm asking about the third and  
7 fourth years. How do you keep the machine going?

8 DR. GINDER: That's part of my answer, and part  
9 of that's through private philanthropy, and part of that is outside federal  
10 funds, and grants. For instance, if we do one of these prevention control  
11 pilot trials that may cost a hundred thousand a year for two years, that could  
12 lead to a federal grant of several million dollars to continue that over a five-  
13 year period beyond the pilot project.

14 MR. DAY: Mr. Chairman, my question is, how  
15 would you define success?

16 DR. GINDER: That's a great question. How I  
17 would define success is what I said. If we can ultimately relieve suffering  
18 and death from cancer in the Commonwealth of Virginia, particularly  
19 putting a strong emphasis on the Southside and Southwest, throughout the  
20 Commonwealth decreasing the rates of cancer, increasing the survival of  
21 cancer patients. Those are not quick turnaround end points, and I think  
22 maybe that's where your question is coming from. We do have short term  
23 end points, I should say, that are in the document, but I'm giving you the real  
24 big picture of what the real end point is, that's to save lives and decreasing  
25 the economic adverse impact. We do have, and we can go through them if

1 you want to, in the document, specifics that we look at like developing  
2 technical infrastructure, creating and hiring clinical research teams, both in  
3 Southside and Southwest and elsewhere in the Commonwealth, that is in  
4 partnership with the local oncology practices and bring to them cutting edge  
5 trials. We're in negotiation with Danville, and hopefully if we get this  
6 funding we will be able to bring to them clinical trial menus and fostering  
7 relationships with clinical practitioners and primary care physicians, opening  
8 new Phase I and Phase 2 trials in Southwest and Southside counties as well  
9 as the Commonwealth. The first year we hope to enroll at least 150 patients  
10 on therapeutic and prevention control trials and then an additional 250. We  
11 have those kinds of metrics. To get to your question, it's really about saving  
12 lives and preventing suffering and death and the economic adverse effects of  
13 that.

14 MR. DAY: Just in general, I don't mind spending  
15 \$10 million or a hundred million for that matter for success, but I'm not too  
16 keen on spending that kind of money for failure. That's why I asked how do  
17 you measure the differences.

18 DR. GINDER: Some of the things I mentioned to  
19 you are short-term metrics, but as you I'm sure realize, when you talk about  
20 preventing cancer that's a many-year project and not a two-year project. The  
21 people who are exposed and their life styles change, or those changes that  
22 might change their risk for cancer, that won't be seen in the next two years.  
23 We have the metrics, as I mentioned, in the document, but ultimately those  
24 are just benchmarks toward the end goal.

25 I have someone else here who would like to make a comment, if

1 I may.

2 MR. EMERSON: The question you asked is the  
3 same question that everybody asks, when are we going to have an answer.  
4 Answers come in very little pieces. I didn't know anything about cancer  
5 until I came down with it, and I went all over the country, and I ended up  
6 going to Massey for a couple of reasons. I'm a survivor, and the question he  
7 asks is the same question everybody wants an answer for, and the answer is  
8 when are we going to have an answer. The answer comes in little pieces. I  
9 didn't know anything about cancer until I came down with it. I've been all  
10 over the country, and I was going to be treated in Florida, and then I ended  
11 up going to Massey for a couple of reasons. When you look at Virginia and  
12 you think about cancer and care, most people don't realize it, but there are  
13 only two centers to treat you that have the cutting edge technology, and  
14 that's the University of Virginia and Massey. When you think about your  
15 constituents in Southside Virginia, my aunt is from Danville, she came to  
16 Massey to be treated because she needed a clinical trial. The studies  
17 developed at Massey are taken out to all the citizens.

18 When you ask about how you measure, let me give you one  
19 little thing. When I was treated I had 35 weeks of radiation and seven weeks  
20 of chemo. Through their research they have now determined that they can  
21 cut chemo back to two times and not seven. That seems very small, unless  
22 you're the guy that's getting the chemo seven times. The research done at the  
23 Massey Cancer Center is a research that is carried to all your constituents.  
24 When my aunt got treated, that treatment wasn't available in Danville. It  
25 would only have been available at the NCI Center where they were able to

1 get the research from the other 65 NCI Centers throughout the country. I  
2 think what's wonderful about what we're trying to do here is that we're trying  
3 to take the research to Danville, and she actually came to stay with my  
4 mother to be treated at Massey. If we're able to deliver this in the other  
5 localities, your citizens get the benefit of all that research from Massey  
6 Cancer.

7           Everybody talks about priorities, and money is short. The items  
8 that you can die of are on the top of the list, and that's what we're talking  
9 about today, your wife, your mother, your child, your sister, your brother. I  
10 had dinner with a researcher two weeks ago; he is looking at a new protocol  
11 he's testing to see if that can 100 percent predict whether you have cancer or  
12 not in your body. Can you imagine if you could send your wife to the doctor  
13 and the doctor would be 100 percent certain whether she had cancer or not.  
14 That's the kind of things that are happening at Massey. That type of thing  
15 doesn't happen at your local hospital. What they did there is to take it to  
16 your hospital for you to use. This hospital is just doing wonderful things.  
17 I'm just one guy who was treated there, but I realize that if Massey hadn't  
18 been available to me I would have wrote a check in Florida. Your decisions  
19 are the same way. Your insurance carriers pay for those things. So anything  
20 you can do to help Massey I would appreciate,, and I feel like the life I save  
21 might be my own, and it could be your family. So we're asking you for your  
22 help.

23           Thank you.

24           MR. THOMPSON: I'm certainly in favor of  
25 cancer research, and a member of my family has been a victim as well. I did

1 have a question about Staff's policy deviation and will most of the money  
2 not be spent in the tobacco footprint, which is contrary to what we've done in  
3 the past. Can you give us an explanation for that?

4 MR. NOYES: The budget on Page 23 of the  
5 application, the budget shows \$2.5 million of a \$20 million total project cost  
6 would be spent in the Tobacco Commission footprint. That's the way I read  
7 that budget, and if that's not correct, then please correct me. That means  
8 17.5 would be spent in Richmond and other areas outside of the tobacco  
9 footprint.

10 DR. GINDER: There's actually some in item three  
11 would be spent, a statewide trial network for prevention and control trials  
12 would reach into the Southside and Southwest areas in terms of where it's  
13 spent. But, you're right, the majority wouldn't be spent in the tobacco area.

14 SENATOR WAMPLER: Number one, I would  
15 say that I don't know that we ought to commit ourselves this way. I don't  
16 know that a Commission as it sits ought to bind a future Commission,  
17 whatever that composition is, and that's a general observation.

18 Now, more specifically to your application. Dr. Ginder, I  
19 notice this was submitted on March 16th or 17th. I guess I remain  
20 concerned after I talked to your president and other members of his staff  
21 about this application. I've read it a couple of times, and I still cannot find  
22 specificity of how much money would find its way to the Tobacco  
23 Commission's footprint that would have adherence. That is that we could  
24 guarantee that those dollars will be spent in Southside or Southwest.

25 DR. GINDER: I believe the two and a half million

1 that Mr. Noyes mentioned, and I have one of our administrators here who  
2 actually worked out the budget, is all fixed to be spent only exclusively in  
3 the Southwest and Southside Tobacco Commission areas.

4 SENATOR WAMPLER: If Dr. Ginder could  
5 point that out to me in the application.

6 DR. HOULIHAN: If you go to page 23, there is a  
7 table which actually indicates specifically by initiative tobacco funding and  
8 what actually will be spent in the tobacco counties specifically.

9 SENATOR WAMPLER: What I still don't find,  
10 what are you spending it on? If you claim there will be 250 patients that will  
11 be served in year two and 350 in year three, how do you allocate those  
12 numbers? I don't see the specificity.

13 DR. HOULIHAN: If you link the number of  
14 patients to the dollars or personnel.

15 SENATOR WAMPLER: In January.

16 DR. HOULIHAN: I was not at the meeting.

17 DR. GINDER: I don't have a specific answer for  
18 you, but on that page and as it shows I guess, 11 FTDs, full-time physicians  
19 that would be residents of the Southside Tobacco Commission and  
20 Southwest counties and the tele-medicine equipment, for example, that  
21 would be purchased and used in those sites, suppliers in the sites, and then  
22 contractual costs to be exclusively allocated to the sites. I don't know how  
23 else to be more specific.

24 DR. HOULIHAN: Those are local vendors.  
25 Everything we've proposed here, especially the initiative. There is also

1 feedback from the initiatives. For instance, the librarian that is expanding  
2 the library kiosk program in initiative three is part of the statewide, because  
3 we recognize she would be residing in Richmond but she would be working  
4 down there. She would hire an additional staff member to expand beyond  
5 the current activities.

6 SENATOR WAMPLER: Why did you not put a  
7 matrix or another column or row that would detail how many patients would  
8 be served as a result of your outreach? Do you know?

9 DR. HOULIHAN: We actually have the details in  
10 the measurements.

11 DR. GINDER: The total in the region.

12 SENATOR WAMPLER: Mr. Chairman, let me  
13 take another whack at it, if I might. In your application you speak in year  
14 one, and you talked about 250, in year three, 300-plus perhaps. How many  
15 of those will be treated within the region?

16 DR. GINDER: Those are all in the region. That  
17 would be accrued onto the clinical trials, and those aren't the only patients  
18 receiving care.

19 SENATOR WAMPLER: These are questions I  
20 feel I have to ask. How many patients in total would you treat out of the \$20  
21 million budget?

22 DR. GINDER: This is clinical research. Every  
23 patient wouldn't be able, we would offer that to every patient in the  
24 community within say Danville or elsewhere to participate in the clinical  
25 trials. The national average is not that high. We're trying to get that up, and

1 it's three percent now.

2 SENATOR WAMPLER: I must not be asking my  
3 questions very well. If you can treat 100 or 250 patients in Southwest and  
4 Southside for two and a half million dollars, how many patients will you be  
5 treating at your host site in Richmond?

6 DR. GINDER: It may not be actual treatment  
7 trials, it may be prevention.

8 SENATOR WAMPLER: Give me an answer as  
9 best you know, sir.

10 DR. GINDER: Right now we're putting about 200  
11 a year in clinical trial in our Center. That's our number alone, and that's just  
12 our Center in Richmond, on the therapeutic side.

13 DELEGATE BYRON: This is a pretty extensive  
14 application; maybe it needs to be defined a little bit better, especially the  
15 things we look for versus, I'm sure you apply to different organizations that  
16 look for different things in their applications. Besides the research and all of  
17 those things, there are other good aspects of what you're working on. I  
18 notice after the first year or within the first year it talks about needs  
19 assessment, you're going to recruit and train research people. Then after the  
20 first year you're going to evaluate the success of hiring and training of  
21 clinical research people and nurses, et cetera. We have great nursing  
22 programs in Southside. We've spent money in scholarships for nurses.  
23 Some of the questions I have are about the employees and nurses and so  
24 forth in these clinical research groups that are going to be hired within our  
25 region.

1 DR. GINDER: Absolutely, you have a great  
2 resource there. For clinical trials and some of the special things we do, there  
3 is some special training needed, whether we train people outside of the  
4 tobacco counties or in it, and there are some highly skilled nurses. When we  
5 train a research nurse, we take the skills of the clinical nurse and learn the  
6 necessary aspects of clinical research to do this type of work. Did I answer  
7 your question?

8 DELEGATE BYRON: Yes, but I wanted to make  
9 sure that the nursing people aren't just coming from Richmond and you can  
10 use some local people.

11 DR. GINDER: Only the educational supervisors  
12 for that component, because we have to do that. As holders of the National  
13 Cancer Institute designation we're held accountable for every clinical trial,  
14 and every patient that goes on any clinical trial is 100 percent accountable.  
15 We have to make sure there is close communication between our base  
16 research operation and people in the communities, and people are hired  
17 within the community to deliver those trials in Southwest and Southside.

18 DELEGATE BYRON: Identifying the local sites  
19 for this and then the personnel. Is that within the first year's funding?

20 DR. GINDER: Yes.

21 DELEGATE BYRON: What is going to sustain  
22 the funding, or will it stop, the nursing clinical trials, how long a period of  
23 time is that for that?

24 DR. GINDER: That was what I was attempting to  
25 answer earlier in reference to Mr. Day's question. A lot of this we anticipate

1 being supported by private support, or nationally competitive grants with the  
2 National Cancer Institute grants for various trials. Those are the two main  
3 sources that sustain that.

4 DELEGATE BYRON: Are the clinical trials, are  
5 they free, or do some clinical trials come with a cost?

6 DR. GINDER: To the patients, the Phase 3 trials,  
7 all the normal medical care is provided by insurance. Actually I believe you  
8 folks here know better than I do. Anything beyond a Phase 2 trial is  
9 supposed to be paid for by insurance companies, normal medical costs  
10 associated with that trial. What we pay for outside of that are things like  
11 experimental drugs, which the insurers will not pay for. Any type of special  
12 tests or monitoring would not be part of the normal fundable care.

13 MR. DAY: Mr. Chairman, I really don't care if the  
14 money is spent in Canada as long as the benefits come back to Southside. I  
15 think we ought to do this for at least year one, and I would make that  
16 motion.

17 DELEGATE KILGORE: Do I have a second?

18 SENATOR WAMPLER: This is not a second, but  
19 it's a point of discussion. My vote would be in the affirmative, once I know  
20 how much money will be spent in the region and what we will get for that.  
21 If Staff's recommendation or observation is 2.39 million that will be spent in  
22 the region and that we have the direct impact from it, today I would vote for  
23 that, but I don't know that I have that information in front of me. Not to  
24 wear the Executive Committee out, I'm just wondering if they couldn't  
25 present it in a clearer fashion and that shows exactly what the benefit will be,

1 the direct benefit will be to our patients and how much of those dollars will  
2 be spent.

3 DELEGATE KILGORE: You want to know  
4 whether the 2.39, you want to know how much that figure is.

5 SENATOR WAMPLER: We might fund a  
6 hundred percent of it in year one and take another pass at it in year two. I'm  
7 speaking only for myself and to Bernie's point, and I'd like to see it be  
8 successful. I want to know how much and what the impact will be in our  
9 communities, and I don't know if the application, if Staff says it's 2.39 and  
10 the applicant says it might be more than that, I'd just like to know in a clearer  
11 fashion what it is. Maybe we can come back at the next meeting a week  
12 from now.

13 DELEGATE BYRON: Are we talking about the  
14 first year or both years or what?

15 SENATOR WAMPLER: That would be part of  
16 the challenge. I'll respond by saying I'm not shocked about the price tag of  
17 2.4 million. I think it has merit, but I'd like to know with more specificity  
18 what that is going to do to our patients within the region. I'm not sure I can  
19 extract that from this application and the information provided. If the Staff  
20 tells me 2.39, I'll go with the Staff's recommendation for two years.

21 DELEGATE KILGORE: Do you think you could  
22 get those figures for us?

23 DR. GINDER: I absolutely do. We're not making  
24 them up.

25 SENATOR WAMPLER: I understand that.

1 DR. GINDER: We're making an effort to make  
2 sure that we get that. If we haven't presented them in the way you wish, I  
3 apologize for that, but they are real numbers.

4 DELEGATE KILGORE: What the total amount  
5 would be that would be spent in Southside and Southwest in the tobacco  
6 region. I thought I heard somebody say that there was money spent --

7 DR. GINDER: -- Additional money.

8 DELEGATE KILGORE: We need to know what  
9 those figures are.

10 SENATOR PUCKETT: Mr. Chairman, thank you.  
11 Just a couple of observations, it's really hard to be against cancer research,  
12 and I don't want to come down that way. I would say that Senator Wampler's  
13 district and my district in the Senate probably have the highest cancer rates  
14 in the whole Commonwealth. I don't doubt that that would be the case.  
15 Here's two things that I would encourage you when you come back to do. I  
16 think it will help this Committee. Be very factual about what you're going to  
17 spend and where it's going to be spent in the tobacco region. This  
18 Commission, and I'm not speaking just about the Executive Committee, the  
19 entire Commission itself, has been charged with revitalizing Southside and  
20 Southwest tobacco regions. It's a stretch for me to say revitalization and  
21 economic revitalization might be a healthcare issue, but I think it could. The  
22 issue for me is I don't want it spent in Richmond, I want it spent in the  
23 footprint.

24 Secondly, I want to see where the match is. I don't believe  
25 we've ever given any money to anyone without a match. And those are the

1 two things that I'll be looking for; and we've never self-funded, that I know  
2 of.

3 A question that I have, where does this stop. If we start this  
4 process now, not just with Massey and VCU, who is next with whatever  
5 cause they have and keeps sucking money from the tobacco region away  
6 from our original charge by the General Assembly in the creation of this  
7 Commission. So, I'm going to be looking for those things very specifically.  
8 I think Senator Wampler has asked for those things specifically, and I too  
9 will be looking for them.

10 DR. GINDER: In speaking about the match, that  
11 is a match that is committed.

12 SENATOR PUCKETT: Mr. Chairman, I do  
13 believe that, but I would like to see the figures in this application. I want to  
14 know whose committee is doing that. Just don't say, we've got a partner out  
15 there that has given over and over again. If it's somebody that you're saying  
16 is giving a match, I want to see the name here. I think that's a part for the  
17 matching group at the Cancer Center to say, we're willing to commit this  
18 money, and it's coming. You've got a pot of money out there I know, but if  
19 you're really willing to put it here, and if you are you ought to be able to say  
20 where it's coming from. That's no less than we ask for anyone else when  
21 they submit an application.

22 DELEGATE KILGORE: I think what you're  
23 hearing is that we're very supportive of this, but what we'd like to hear is  
24 between now and the 28th of April at 4:00, if we could get all of this laid out  
25 so we'll know. So if you meet with the Staff or Ned or if you could get this

1 answered for us between now and the 28th, I think it would give the  
2 Committee a little more comfort and we can go forward from there with  
3 your goal and the goal of the folks here on the Tobacco Commission, and  
4 we'll be happy to do that.

5 Is that all right with everyone? All right. We'll see you back in  
6 two weeks on the 28th at 4:00.

7 All right, what's the next one, Ned?

8 MR. STEPHENSON: We have Henry County  
9 approaching the Commission asking for a million five to fund two races a  
10 year for five years at the Martinsville Speedway. They are under the threat  
11 of losing those races, which would be an obvious economic blow to that  
12 region. The request came to the Commission at our suggestion under the  
13 TROF Program, because we didn't know where else to handle it. The TROF  
14 Program functions with the Commission cash in exchange for a contract that  
15 promises jobs. In this case the jobs cannot be promised by the racetrack  
16 owner because he is not the employer; employers are all over the city in  
17 restaurants, hotels, etc. It's difficult to ask the racetrack owner to make that  
18 promise. It was suggested that the track owner would commit to two races a  
19 year for five years in Martinsville in exchange for this grant to improve the  
20 track. The folks from Henry County have an allocation of some \$278,000 in  
21 Henry County, and they've indicated they would want to use that allocation  
22 in its entirety for this purpose, which would leave another million two  
23 twenty-one to be funded from the TROF Program, if you see fit.

24 DELEGATE KILGORE: Ned, the reason that the  
25 TROF Panel can usually address these issues, the important thing to come

1 before the Executive Committee was because of the comment you made  
2 about the project and the employers?

3 MR. STEPHENSON: The TROF Panel routinely  
4 issues grants in exchange for a contract, and then we follow up to see if the  
5 performance occurs under that contract, and if it doesn't we get our money  
6 back. The TROF Panel is not authorized to reach beyond that where there  
7 cannot be a job promised specifically. The promising offer here is that ten  
8 races and however many jobs you think that might represent is what we  
9 would get, but they are unverifiable and we cannot know exactly.

10 MR. NOYES: It's a policy issue, Mr. Chairman.  
11 All the funds would go towards appreciable capital assets held by a private  
12 for-profit entity, which is outside of policy. It's not that you cannot do that,  
13 and it's not that we haven't done that before, and I'm not suggesting in this  
14 case that we do not do that. It's a policy issue, and this Board sets the policy  
15 and makes exceptions to the policy. The TROF Panel cannot do it  
16 independent of an instruction from the Executive Committee.

17 DELEGATE MARSHALL: Mr. Chairman, we  
18 have representatives from Henry County here to speak to the details of it.

19 SENATOR RUFF: Mr. Chairman, before they do,  
20 Ned, we did some infrastructure help several years ago. Was there any  
21 commitment at that time to the number of races at all?

22 MR. STEPHENSON: I do not believe that there  
23 was. We did make a grant several years ago like this, but I don't think there  
24 were any promises associated with that grant.

25 SENATOR HAWKINS: Mr. Chairman,

1 clarification, did that grant go to the IDA of Henry County?

2 DELEGATE KILGORE: I think it did.

3 SENATOR HAWKINS: We didn't make a direct  
4 grant?

5 MR. STEPHENSON: In this case you would also  
6 go through the IDA, but the track owner ends up with the money.

7 MR. SUMMERLIN: My name is Benny  
8 Summerlin, and I'm the county administrator for Henry County, and I also  
9 have with me Clay Campbell, who is president of the Martinsville  
10 Speedway, and also Mark Heath, president of the Economic Development  
11 Corporation. What precipitated this is the speedway has been there since  
12 1947, and they have two Sprint Cup race dates. Virginia has more race dates  
13 than any other state, and Richmond has two and Martinsville has two, and  
14 Bristol. While Bristol is not in Virginia, it's close enough. There are 36  
15 races on the Sprint Cup circuit, and basically almost all the racetracks are  
16 owned by one or two corporations, the International Speedway Corporation  
17 and Speedway Motor Sports. ISC has promised a second race date for  
18 Kansas City, where they're building a new one on the racetrack property.  
19 They can't extend the race dates, so that means they have to take a race date  
20 from one of the locations. When this process started there were probably  
21 five names on that list, including Martinsville. We believe now there are  
22 probably at least a couple of names on that list, including Martinsville. We  
23 visited with representatives of ISC, and the lieutenant governor was very  
24 gracious to go with us to visit with their senior management. We asked what  
25 we could do to ensure we'd keep our race date for Martinsville.

1           According to an economic impact analysis last year, the race  
2 track creates \$170 million of economic impact in the region and is  
3 responsible for about 2800 jobs, directly or indirectly. Most of those jobs  
4 are not jobs at the speedway; they are jobs that include economic activity in  
5 the area. Not in our application, but Virginia is going to do some road  
6 improvements to help traffic issues at the speedway and also some  
7 marketing activities and probably has a value of more than what we think.

8           DELEGATE KILGORE: For one race, what  
9 would be the economic impact if Martinsville lost that race?

10           MR. SUMMERLIN: There are basically two  
11 primary races. Henry County only has 600 hotel rooms, and Danville  
12 probably gets more hotel income than Henry County, because we're a very  
13 small market. Roanoke gets some, Greensboro.

14           MR. NOYES: The estimate from a study which I  
15 have read is on the order of \$70 to \$80 million for each of the two races per  
16 year as economic activity, and that's direct, indirect, and induced, and the  
17 numbers are in the economic study. The economic impact, the fact that there  
18 is a lot of economic activity is not at issue, and I stipulate that is the case.  
19 What is the issue before us --

20           DELEGATE KILGORE: -- When we vote to  
21 approve or disapprove, the question will be allowing the TROF Panel to  
22 approve it and then allowing the other part to come from Henry County's  
23 allocation?

24           MR. NOYES: Yes. The total package of 1.5.

25           SENATOR HAWKINS: My understanding is

1 we're being asked to provide an insurance policy for these 10 races, 150,000  
2 a race basically.

3 DELEGATE KILGORE: Yes.

4 SENATOR PUCKETT: I don't have to tell anyone  
5 in this room how devastating it would be if Martinsville and Henry County  
6 lost these races. They lost one race and have the highest unemployment rate  
7 in the state; it's not going down and probably going up. I think it's a worthy  
8 request that we try to stabilize that region, and if this will do it, it will be  
9 some of the best money we spend.

10 I move we give the authority to the TROF Panel to do that.

11 DELEGATE KILGORE: And allow the other  
12 allocation that they already have.

13 SENATOR PUCKETT: Yes, what they already  
14 have.

15 MR. DAY: I so move, what he said.

16 DELEGATE MARSHALL: I agree.

17 DELEGATE KILGORE: We have a motion and a  
18 second. All in favor? (Ayes.) Opposed? (No response.) All right, that  
19 motion passes. Those folks on the TROF Panel, I'd like you to go ahead and  
20 vote. Ed, how do you vote?

21 MR. OWENS: Yes.

22 DELEGATE KILGORE: Aye.

23 MR. NOYES: Aye.

24

25 NOTE: The TROF Panel votes

1                   unanimously for the motion.

2

3                   MR. STEPHENSON: Mr. Chairman, the TROF  
4 contract that was used could be a little controversial. It makes both the  
5 locality and the beneficiary, in this case the track owner, jointly and  
6 severally liable to repay this money in the event the contract is not fulfilled.  
7 That's our intent, unless the Committee instructs otherwise.

8                   MR. FERGUSON: In this particular case, Mr.  
9 Chairman, I think what's more determinative is not the repayment issue but  
10 what the terms of the performance are going to be. I think what I heard is  
11 they're either going to build it or not, it's going to take five years.

12                  SENATOR HAWKINS: Mr. Chairman, I think we  
13 also need to make sure that if for some reason they back out a proration or  
14 return of the money.

15                  MR. STEPHENSON: So noted.

16                  MR. OWENS: The application before the  
17 Southside Economic Development Committee, when is that --

18                  MR. NOYES: -- I think we have approved the 1.5  
19 million to include that piece, same policy issue.

20                  MR. STEPHENSON: Mr. Owens, I think what  
21 happened at the Southside meeting today was that the Southside Committee  
22 deferred its decision over to the Executive Committee and whatever the  
23 Executive Committee did the Southside agreed to.

24                  MR. OWENS: With that in mind, the same  
25 performance agreement would be tied to those funds.

1 DELEGATE KILGORE: Everything is the same.  
2 Now, public comment. Does anyone have any public  
3 comments before we allow the Agriculture Committee to go forward?

4 MS. DIX: I am Deborah Dix from Pittsylvania  
5 County and about 13 miles from the proposed uranium mine. I think it's  
6 ironic that a certain person in here, Mr. Mayhew, he thought that Virginia  
7 Beach or the Danville region would have sort of a biased study. Virginia  
8 Uranium, Inc. is paying for the NAS study sponsored by Virginia Tech. I  
9 think it's the other way around. I think the other people are looking out for  
10 their health and our health. If we have the so-called hurricanes that we do  
11 have, it will contaminate our river, there are no ifs or ands about it. It will.  
12 Unless Virginia Uranium is allowed to destroy the headwaters of the river.  
13 Like mountaintop removal destroys the creeks that flow into the Chesapeake  
14 Bay. There are a lot of creeks in that area where these facilities are located.  
15 Technically there would be three open pits with mining and holding ponds.

16 As far as 300 or 500 jobs is concerned, I do not see that. I am a  
17 technical person, and I have studied computer science and business  
18 management, and I have a degree, and I'm a logical person. New Mexico  
19 has a social economic study, and they're saying it would not benefit New  
20 Mexico in the long run. I'd like to see this Tobacco Commission, if it's  
21 going to give money to the Uranium Subcommittee, and certain people on  
22 this panel that benefit from Virginia Uranium, Inc. should excuse  
23 themselves. Anyone who is part of Virginia Uranium, Inc. and the 31  
24 people, and we don't know who they are because they will not tell us who  
25 they are, except Mr. Hurt is the only honest one in Pittsylvania County. If

1 they receive money or part of Virginia Uranium, Inc., they should step down  
2 and alternate, but I do not think that the Virginia Beach Committee would be  
3 biased by looking out for their health and benefits for all Virginians, not just  
4 Virginia Beach. They're looking out for the military, which they drink our  
5 water. The military has held up Virginia Beach and the state. I'd rather have  
6 the health of our military people and all of our health be considered. I'd also  
7 like to say that if anyone is part of Virginia Uranium, Inc. I'd like for them to  
8 step down.

9 SENATOR PUCKETT: Ma'am, I might have  
10 misinterpreted what you said, but I heard the word mountain-top removal  
11 related to the Chesapeake Bay?

12 MS. DIX: Yes. This is West Virginia and other  
13 states. A lot of those rivers flow down to our sites. Two thousand miles of  
14 mountain-top streams, mountain-top removal --

15 SENATOR PUCKETT: -- I didn't hear you say  
16 West Virginia. I thought you were referring to --

17 MS. DIX: -- No, I said --

18 SENATOR PUCKETT: -- Our mining is in  
19 southwest Virginia.

20 MS. DIX: Yes.

21 DELEGATE KILGORE: Thank you. Anyone  
22 else with any public comments? Do I have a motion we adjourn?

23 SENATOR HAWKINS: So moved.

24 DELEGATE KILGORE: It's been moved, we are  
25 now adjourned.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PROCEEDINGS CONCLUDED.

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional  
Reporter and Notary Public for the State of Virginia at large, do hereby

1 certify that I was the court reporter who took down and transcribed the  
2 proceedings of the **Virginia Tobacco Indemnification and Community**  
3 **Revitalization Commission Executive Committee Meeting when held on**  
4 **Thursday, April 15, 2010 at 12:00 p.m. at the Hotel Roanoke, Roanoke,**  
5 **Virginia.**

6 I further certify this is a true and accurate transcript  
7 to the best of my ability to hear and understand the proceedings.

8 Given under my hand this 20th day of  
9 April, 2010.

10

11

12

13

14

15

16

17

18

19 My Commission Expires: October 31, 2010.

20 Notary Registration No: 224566

---

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large