

1 **APPEARANCES:**

2 The Honorable Charles R. Hawkins, Chairman

3 The Honorable Terry G. Kilgore, Vice Chairman

4 Mr. Stephen S. Banner

5 Mr. Kenny F. Barnard

6 The Honorable Robert Bloxom, Secretary of the Department of Agriculture
7 and Forestry

8 Mr. Clarence D. Bryant, III

9 The Honorable Kathy J. Byron

10 The Honorable Barnie K. Day

11 Ms. Linda P. DiYorio

12 Mr. Fred M. Fields

13 The Honorable Patrick Gottschalk, Secretary of the Department of
14 Commerce and Trade

15 Mr. Scott M. Harwood, Sr.

16 Mr. L. Jackson Hite

17 The Honorable Clarke N. Hogan

18 Mr. Jordon M. Jenkins, Jr.

19 The Honorable Joseph P. Johnson, Jr.

20 The Honorable Daniel W. Marshall

21 Mr. Buddy Mayhew

22 The Honorable Harrison A. Moody

23 Ms. Connie Lee Greene Nyholm

24 The Honorable Edward Owens

25

1 **APPEARANCES: (cont'd)**

2 Mr. David S. Redwine, DVM

3 Mr. Kenneth Reynolds

4 The Honorable W. Roscoe Reynolds

5 The Honorable Frank M. Ruff

6 Mr. Bryant L. Stith

7 Mr. James C. Thompson

8 The Honorable Jody Wagner, Secretary of Finance

9 The Honorable William C. Wampler, Jr.

10 The Honorable Thomas C. Wright, Jr.

11

12

13 COMMISSION STAFF:

14 Mr. Neal Noyes, Executive Director

15 Mr. Ned Stephenson, Deputy Director

16 Mr. Timothy F. Pfohl, Grants Program Administration Manager

17 Ms. Stephanie Wass, Director of Finance

18 Ms. Britt Nelson - Manager of Program Assessments

19 Ms. Sara Williams - Grants Coordinator, Southwest Virginia

20 Ms. Sarah Capps - Grants Coordinator, Southside Virginia

21

22 OFFICE OF THE ATTORNEY GENERAL:

23 Mr. Francis N. Ferguson, Deputy Attorney General, Counsel for the

24 Commission

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1 SENATOR HAWKINS: All right, I'll call the
2 meeting to order. Neal, will you call the roll?
3 MR. NOYES: Mr. Banner?
4 MR. BANNER: Here.
5 MR. NOYES: Mr. Bernard?
6 MR. BERNARD: Here.
7 MR. NOYES: Secretary Bloxom?
8 SECRETARY BLOXOM: Here.
9 MR. NOYES: Mr. Bryant?
10 MR. BRYANT: Here.
11 MR. NOYES: Delegate Byron?
12 DELEGATE BYRON: Here.
13 MR. NOYES: Mr. Day?
14 MR. DAY: Here.
15 MR. NOYES: Ms. DiYorio?
16 MS. DIYORIO: Here.
17 MR. NOYES: Mr. Fields?
18 MR. FIELDS: Here.
19 MR. NOYES: Secretary Gottschalk?
20 SECRETARY GOTTSCHALK: Here.
21 MR. NOYES: Mr. Harwood?
22 MR. HARWOOD: Here.
23 MR. NOYES: Mr. Hite?
24 MR. HITE: Here.
25 MR. NOYES: Delegate Hogan?

1 DELEGATE HOGAN: Here.
2 MR. NOYES: Mr. Jenkins?
3 MR. JENKINS: Here.
4 MR. NOYES: Delegate Johnson?
5 DELEGATE JOHNSON: Here.
6 MR. NOYES: Delegate Marshall?
7 DELEGATE MARSHALL: Here.
8 MR. NOYES: Mr. Mayhew?
9 MR. MAYHEW: Here.
10 MR. NOYES: Mr. Moody?
11 MR. MOODY: Here.
12 MR. NOYES: Ms. Nyholm?
13 MS. NYHOLM: Here.
14 MR. NOYES: Mr. Owens?
15 MR. OWENS: Here.
16 MR. NOYES: Senator Puckett?
17 SENATOR PUCKETT: (No response.)
18 MR. NOYES: Mr. Redwine?
19 MR. REDWINE: Here.
20 MR. NOYES: Mr. Reynolds?
21 MR. REYNOLDS: Here.
22 MR. NOYES: Senator Reynolds?
23 SENATOR REYNOLDS: Here
24 MR. NOYES: Senator Ruff?
25 SENATOR RUFF: Here.

1 MR. NOYES: Mr. Stith?

2 MR. STITH: Here.

3 MR. NOYES: Mr. Thompson?

4 MR. THOMPSON: Here.

5 MR. NOYES: Secretary Wagner?

6 SECRETARY WAGNER: Here.

7 MR. NOYES: Senator Wampler?

8 SENATOR WAMPLER: Here.

9 MR. NOYES: Delegate Wright?

10 DELEGATE WRIGHT: Here.

11 MR. NOYES: Delegate Kilgore?

12 DELEGATE KILGORE: Here.

13 MR. NOYES: Chairman Hawkins?

14 CHAIRMAN HAWKINS: Here.

15 MR. NOYES: Mr. Chairman, we have a quorum.

16 SENATOR HAWKINS: This is amazing. The
17 attendance record for this Commission, people who have shown up on this
18 31-member Commission time after time is remarkable. That shows a lot of
19 dedication on your part, and I thank you for that.

20 At this time, I'd like to yield to Senator Wampler.

21 SENATOR WAMPLER: Thank you, Mr.

22 Chairman. I want to say thank you to everybody on the Commission for
23 attending, and I hope the festivities last night were to your liking. I thought
24 after the meeting yesterday, and probably one of the more interesting
25 meetings where everybody had a chance to voice their thoughts and

1 reflections on not only where we've been but where we're going. Special
2 thanks to Delegate Byron for her work with the Long Range Planning
3 Committee. I think yesterday was a great day, and I'm glad we did it in the
4 City of Bristol. If anybody needs anything for the balance of the day,
5 Delegate Johnson will be glad to help you.

6 SENATOR HAWKINS: Thank you. Secretary
7 Gottschalk has a very important announcement.

8 SECRETARY GOTTSCHALK: We just got news
9 this morning, literally a couple of minutes ago, that *forbes.com*, the Web
10 affiliate of the Forbes Magazine, ranked Virginia number one for business
11 for the third year in a row. Close on our heels is Utah and some other states
12 like Georgia and North Carolina and Washington state. It's very
13 competitive, as you well know, but coming out number one out of 50 states
14 for the third year in a row gives testimony to a number of things, including
15 legislators' views and policies, guidance and statutes over the years,
16 probably the last three or four decades, a number of different things like
17 court systems that serve tort litigations, et cetera. It's no question that the
18 Tobacco Commission played a very big role in that as well. I'd like to
19 congratulate the Tobacco Commission as an agency, plus all the
20 commissioners in their personal capacity for your role in helping us make
21 the *forbes.com* three years in a row. Thank you.

22 SENATOR HAWKINS: Thank you. Secretary
23 Bloxom.

24 SECRETARY BLOXOM: I think it's very great
25 that we were ranked by Forbes as number one for business. Also,

1 agriculture and forestry is the number one business in the number one state
2 and has been since 1607. It's nice to be a part of that, and this Commission
3 is part of that.

4 SENATOR HAWKINS: Let's hope it continues.
5 Thank you.

6 Is there a motion to approve the Minutes of April 29th? It's
7 been moved and seconded. All in favor? (Ayes.) Opposed? (No response.)

8
9 Now, a couple of comments on my part. Yesterday we had a
10 good exchange on many topics, and particularly about the Blue Ribbon
11 Panel. I'm pleased we had a frank and open discussion. I think we're better
12 off because of it.

13 Let me emphasize again, I'm hoping, regardless of who is chair
14 or who are the members of the Commission in the future, that periodically
15 that sort of exercise takes place, and I think it's extremely helpful. It also
16 shows the willingness of this body to examine itself. As I said yesterday, I
17 can think of no other group in this Commonwealth, period, that would do
18 what we did yesterday, and I think it speaks well of all of you. I want to
19 thank you for being part of that.

20 Second, I would like to thank the Staff, and I have had a couple
21 of phone calls directed to me that were unsolicited that told me that they
22 were so impressed when they attended sub-committee meetings how
23 professional the Staff was and how prepared they were prior to the meeting.
24 So, I'd like members of the Staff to stand up and be recognized by everyone
25 here. (Applause.) We have a very small Staff, but they are good at what

1 they do, and we probably have the best collection of expertise that you'll find
2 anywhere. Again, I just want to thank you all for your professionalism.

3 I had a couple of comments asked of me yesterday about how
4 we structured some things and the authority and lack of authority of the
5 Executive Director. Back when we first started the Commission, the
6 Executive Director was granted the authority to spend up to \$50,000 without
7 Commission approval. And the reason for that, of course, is to be able to do
8 something very rapidly without a Commission meeting. In the past the
9 Executive Director has done some expenditures, and most of it has been well
10 under \$30,000. Anything over \$30,000, you have to go out and get an RFP.
11 That sort of thing is generally discussed either between Delegate Kilgore or
12 myself prior to the expenditure, but it's a way we can operate. When you
13 have a volunteer board such as we have, it's almost impossible to come
14 together to make a decision with the magnitude of \$25 to \$30 thousand.
15 Most of it goes into projects that are directly associated with efforts that the
16 Commission is putting into play, such as the expenditures for the Blue
17 Ribbon Panel . Any discussion on that? There was some concern about that.

18 Next, another thing I want to talk about before we get into the
19 Agenda itself. These research facilities that we will be discussing today, this
20 move on our part sets us apart from every other rural part of this nation. It
21 makes us totally unique. With our Broadband system and with the
22 innovation of these research facilities that will be approaching all aspects of
23 energy gives us something that no other rural area in the country is doing. It
24 shows the initiative we can put into place by thinking about what this
25 country needs and the stability we need to bring it into play for the economy

1 and the fuel sources that we're depending on. When you look at this sort of
2 innovation, it's so unique and so Virginia that we're willing to invest in
3 things understanding not only the Southwest and Southside areas come into
4 play here, but indeed this nation and this world, because we have to cut the
5 spigot off of foreign oil supplies, and this is a way to start that process. I'm
6 so pleased because it adds that piece of the puzzle that we're constantly
7 trying to put into play that makes us stand out from every other region in this
8 country. I want to thank you all for that as well, because it shows that we're
9 willing to stand up and do things outside of the normal things we do. You're
10 to be congratulated for that.

11 Now, having said that, we'll move on to the Agenda. Clarke
12 Lewis. Welcome, Clarke. I want to also thank you for last night, and we
13 appreciate it and enjoyed that.

14 MR. LEWIS: We appreciate that.

15 Members of the Commission, I'll be brief. We sent out an
16 update on our Phase I Tobacco Indemnification Program for the year. As
17 you know, we've completed the first round of payments, and that included
18 44,600 claims in an amount totaling approximately \$18.8 million. As in
19 years past, we have received some late claims, totaling about 550 late claims.
20 These individuals would be included, obviously, in a second round of
21 payments we anticipate making in September. As in years past, we would
22 respectfully request you consider extending the deadline for an additional
23 three weeks, which would make it through August 22, 2008, when we would
24 include these individuals in our second round of payments going out in
25 September.

1 SENATOR HAWKINS: Let's go ahead and get
2 that off the table. It's a normal process we go through every year, for the
3 newer members. There are folks who slip through the cracks, and we don't
4 want them to be left out. I'll entertain a motion. It's been moved, and Mr.
5 Banner seconds it, that we extend the deadline. Any discussion? All those
6 in favor say aye? (Ayes.) Opposed? (No response.)

7 MR. LEWIS: We'll make this round in mid-
8 September, 2008.

9 SENATOR HAWKINS: I want to thank you
10 again. When we got into this, this was all new territory, and it's amazing
11 how smooth it's done now. I get very few phone calls complaining about the
12 process. You're all to be congratulated on that.

13 DELEGATE KILGORE: I want to comment for
14 some of our new members that Clarke stated 18.8 million that we sent back
15 to the farm families, and that's very important, and we're still fulfilling that
16 goal. The Commission is reimbursing our farmers for the loss of quota at
17 the tune of \$18.8 million. That is helpful to our farmers, and I thank you all
18 for the job you've done. In earlier days we were getting a lot of phone calls.
19 It's been a long time since I've gotten a phone call, and I do appreciate all
20 that you all have done. We appreciate it very much.

21 DELEGATE JOHNSON: I'd like to let the
22 Commission know that I visited with Clarke Lewis when he was here, and
23 everybody, including the farmers, left happy. I just want to thank you for
24 coming to meet with us and helping with the problems.

25 MR. LEWIS: Thank you.

1 SENATOR HAWKINS: Next, I want to call your
2 attention to Sir Francis Ferguson. It's nice to have a knighted member of the
3 body. I didn't realize the Governor had that power, but someone did. Did
4 the Queen knight you when she was in town?

5 MR. FERGUSON: I'm a little suspicious of the
6 validity of that OBE; it came through the Internet. It was signed by Disco
7 Duce, advertising for certain medications. I'm not sure about that.

8 SENATOR HAWKINS: It's always good to have
9 a champion in our midst. I'll turn it over to the Office of the Attorney
10 General, Sir Francis Ferguson.

11 MR. FERGUSON: Thank you, Mr. Chairman. As
12 we move to another phase in the Commission, and we have some new
13 members, many of them were in the confidentiality and freedom of
14 information training this morning, we did that, and we thought it might be
15 worthwhile, taking a little time to go over a couple of general matters. This
16 body is a public body for purposes of the Conflict of Interest Act and
17 Freedom of Information Act. I would say that if you have any questions on
18 the applicability of those, or anything you do, please contact my office, and
19 we'll talk you through it and figure out what is the proper thing to do.

20 In the case of Freedom of Information, it applies to two major
21 things. One of them is meetings, and the other is documents. Meetings have
22 to be public, and votes have to be taken and published. It has to be
23 published, the time and place of those meetings, and do all the things that the
24 Staff is well familiar with doing in the rules. Sometimes you might be
25 inclined to get three or four people together and talk about business. I'll

1 remind you the Freedom of Information Act prohibits that, without public
2 notice. If it's more than two of you at a time and you're discussing business
3 of the Commission or the Commonwealth, it is a meeting, for purposes of
4 the Freedom of Information Act. It has to be noticed and announced to the
5 public.

6 Similarly, if you create any documents that relate to this
7 business or the operations of it, e-mail type documents, those are subject to
8 disclosure under the Freedom of Information Act upon request. If you get a
9 request like that, you only have five days to make an initial response. Please
10 let me know if that happens, and I'll help you with that.

11 On the Conflict of Interest Act side, moving into a new phase
12 with the Commission where there is an enormous amount of money
13 available for a trust fund, and that will probably be distributed in some ways
14 different than what we've done in the past, with bigger projects and long-
15 term projects. It may be there are some heretofore unexperienced impacts
16 with your personal life and the way you do business, so please, again, feel
17 free to contact myself or our office. You may speak to Stephanie Hamlett if
18 you have any questions about the applicability of the Conflict of Interest
19 Act. It applies to financial interest, only financial interests, but always
20 please be aware of public perception and don't do something you wouldn't
21 want to see other public officials do. The whole point for doing that is so the
22 public will have confidence and transparency. They'll know what's going on
23 with their elected and government officials.

24 With that as a reminder, I, again, want to let you know that the
25 main point is to remind you just contact me if you have any questions in

1 these general areas.

2 SENATOR HAWKINS: Thank you. And, the
3 rule of thumb is, when in doubt call the Attorney General's Office. It's just
4 not worth it to make some mistake that can be corrected fairly quickly.
5 Thank you, Frank, appreciate that.

6 Now, moving on, Delegate Kilgore.

7 DELEGATE KILGORE: Thank you, Mr.
8 Chairman. The Southwest Economic Development Committee met on July
9 21. We had 31 proposals that were received and, of course, we didn't have
10 enough money to fund 31 proposals. Behind Tab 2 you'll see the
11 recommendations that the Southwest Economic Development Committee
12 has made.

13 Mr. Chairman, I would ask that request number 1629 be out of
14 the block, so if anyone wants to abstain, they can, on that one. We can take
15 that one up separately for a vote on that. If there are any questions, I'll be
16 happy to answer, or the Staff. Otherwise, Mr. Chairman, I'd make a motion
17 and move that we approve these in a block, except 1629.

18 SENATOR HAWKINS: We have before us a
19 motion, is there a second to the motion that we accept the Southwest
20 Economic Development Committee's report, except 1629? There is a
21 second. Any questions on the motion? Any discussion? We were all made
22 aware of these recommendations through the brochures that were sent to us.
23 All those in favor say aye? (Ayes.) Opposed? (No response.)

24 Now we have before us 1629.

25 DELEGATE KILGORE: I make a motion to

1 approve Tazewell County Bluestone Regional Business and Technology
2 Center.

3 SENATOR HAWKINS: It's been moved that
4 1629 be approved. Is there a second? There is a second. All in favor say
5 aye? (Ayes.) Opposed? (No response.)

6 MR. THOMPSON: I'm abstaining.

7 SENATOR HAWKINS: We have one abstention.

8 DELEGATE KILGORE: Mr. Chairman, that will
9 conclude my report. In Southwest we plan on having a second round later
10 on this year so we can address some other issues. I want to thank the
11 members of the Southwest Economic Development Committee for their time
12 and patience on July 21, because it was a long meeting, but we got through
13 it.

14 SENATOR HAWKINS: Thank you for your
15 report.

16 Next on the Agenda is Special Projects. Senator Wampler.

17 SENATOR WAMPLER: Thank you, Mr.
18 Chairman, and members of the Special Projects Committee. We met on July
19 21st and discussed at length the 27 projects totaling \$22.6 million, which we
20 had a budget maybe of around \$9 million that we were going to try to
21 operate. Before I get into the specifics of that, Mr. Chairman, I would also
22 say that unless and perhaps the Chair would allow the one objection rule so
23 it would be my intent to go over Special Projects as the applications were
24 presented and then move to the research and development projects and then
25 discuss the remaining balance and what will ultimately be addressed out of

1 the Executive Committee to address some of the other projects, transfer
2 some of the balances, if that's permissible.

3 SENATOR HAWKINS: That'll be fine.

4 SENATOR WAMPLER: Mr. Chairman,
5 specifically to the Special Projects, the Committee recommended some 13
6 requests totaling about \$8.8 million. I would draw your attention to three
7 projects that were drawn, and you can see those. They are outlined in the
8 Committee's recommendations. There were three applications that were
9 withdrawn, and there were two that were referred to other committees. I
10 would draw your attention to the application number 1615, which is on the
11 second page of your handout, the fourth from the bottom of the Special
12 Projects, which is Virginia Commonwealth University Cancer Research, and
13 the application is for a million dollars. It's item 1615 now. If it's not there,
14 let me address item 1615. It's very important, and we believe we will fund it
15 at the next meeting, and the application was for cancer research. It had a
16 companion amendment and an application from the University of Virginia
17 for cancer research, which we will adopt in a block, I predict. What was
18 different with the Virginia Commonwealth University application was that
19 most of the services were clustered in Richmond, and we felt like there
20 should be a greater outreach effort into the Southside communities, and
21 VCU agreed, and they wanted to go back and modify their proposal and
22 present it to Staff. It would be the intention of the Committee that the
23 Commission defer action on that particular proposal without prejudice and
24 without harm and hope they can come back and we can see a greater
25 distribution of dollars and services within that tobacco growing Southside

1 area.

2 That hopefully was a friendly way of describing why we are
3 deferring item 1615, Virginia Commonwealth University's Cancer Research
4 proposal.

5 Mr. Chairman, specifically to what remained in the block, I
6 would say we examined many of them and we said no to many that we
7 wanted to do, but it was simply, we tried to prioritize our dollars and hit
8 critical mass in many of the projects where we thought it would make a
9 difference both in Southside and Southwest. As we've done before, I would
10 propose, Mr. Chairman, that if any member has a question about any of these
11 specific projects, I would be glad to pull them out of the block and take them
12 up individually. Otherwise, I would move that the block be adopted as
13 recommended.

14 SENATOR HAWKINS: We have before us a
15 recommendation or a motion that 1620, 1613, 1604, 1610, 1624, 1625, 1646,
16 1622 and 1621 be removed from the block for conflict of interest. 1617,
17 1657, 1609, 1612 and 1616, is that correct?

18 SENATOR WAMPLER: Why don't we get Staff
19 to tell us which ones are out of the block and what's remaining in, so we
20 have the appropriate ones?

21 SENATOR HAWKINS: The only one I was going
22 to ask to pull out of the block was 1621. That was due to a conflict of
23 interest.

24 SENATOR WAMPLER: The remaining items
25 stay in the block. That's my motion, Mr. Chairman.

1 SENATOR HAWKINS: 1622 and 1621 are out of
2 the block.

3 SENATOR WAMPLER: That's correct.

4 SENATOR HAWKINS: We have before us a
5 motion that's been seconded.

6 MR. DAY: Are those the only two out of the
7 block?

8 SENATOR HAWKINS: So far.

9 MR. DAY: I'd ask that 1604 come out.

10 SENATOR HAWKINS: 1604, 1622 and 1621 are
11 out of the block. We have before us a motion to accept the rest in the block.
12 There's a second to the motion. It's been moved and seconded. All those in
13 favor say aye? (Ayes.) Opposed? (No response.)

14 SENATOR WAMPLER: Mr. Chairman, I would
15 move then 1621, 1622 be adopted.

16 DELEGATE MARSHALL: I abstain.

17 SENATOR HAWKINS: We have one abstention
18 from the vote. We have before us 1622 and 1621. Any discussion? All
19 those in favor say aye? (Ayes.) Opposed? (No response.)

20 SENATOR WAMPLER: Mr. Chairman, I would
21 further move, then, that item 1604 be adopted.

22 SENATOR HAWKINS: Item 1604. Any
23 discussion? All those in favor say aye? (Ayes.) Opposed?

24 MR. DAY: Opposed.

25 SENATOR HAWKINS: Does that complete your

1 report?

2 SENATOR WAMPLER: Mr. Chairman, that
3 completes my report, the Special Projects portion of the report. I would ask
4 if Tim would come to the podium and explain, at least in part, what some of
5 the research applications were. We had eight applications that were before
6 the Committee, totaling \$44.9 million. The Committee recommends to the
7 full Commission some \$36.5 million, if my mathematics are accurate.

8 DELEGATE KILGORE: Looking behind tab
9 number three.

10 MR. PFOHL: Page 11 of your handout behind tab
11 three, you will see that the second spreadsheet lists the research and
12 development portion.

13 DELEGATE KILGORE: Returning to page 11,
14 behind tab three in the book.

15 SENATOR WAMPLER: Mr. Chairman, I would
16 observe the following to the Commission. Many of these projects were
17 actually in the making for the last three years. This is something that the
18 Commission decided they wanted to take a pass at and see if we could get
19 into some research and development investment business, so to speak. The
20 Executive Director rightly pointed us in the direction of energy, and we've
21 seen those clusters around Southside and Southwest; that's what we bring to
22 you today. You have a very broad and diverse set of recommendations that
23 are before you. I would say it leverages up private sector dollars and
24 leverages up federal and state and local dollars. You have various degrees of
25 research from its infancy where we are very close to commercializing some

1 of these items. It was not an easy task to try to evaluate the proposals. We
2 believe, Mr. Chairman and members of the Commission, this is a very bold
3 step and a very large leap of faith; we believe we're on the right track. There
4 are some applicants here that if you get into the questions concerning the
5 science, I'll gladly do a 32 dive to the half back, go through the left side very
6 quickly where they can explain it. Mr. Chairman, we believe this is the best
7 work within the dollar amounts that we have.

8 The last point I would make is that we think that there will be
9 more funding, and hopefully the Tobacco Commission will continue to fund
10 research and development where it makes sense to do so.

11 SENATOR HAWKINS: We appreciate your
12 report. If you look at the record of the Tobacco Commission, we have been
13 looking for projects that have long-term stability. Broadband is one, and
14 research is next. It not only creates a new energy source, but it brings a new
15 wealth stream into the farming communities and helps stabilize the family
16 farms and gives another cash crop.

17 The other piece dealing with other energy sources is an
18 investment that we just have to make, and I think it will prove its value.

19 Delegate Marshall.

20 DELEGATE MARSHALL: Thank you, Mr.
21 Chairman. I think what we're getting ready to do is probably going to be, in
22 years to come, one of those benchmarks that really will change our whole
23 area. In listening to what we went through yesterday, as far as the Blue
24 Ribbon Panel, we're getting ready to spend a lot of money right here, and
25 one of the things that I'd like to put on the table is accountability, especially

1 the R&D parts of this. That we would request from those groups a written
2 report yearly, and maybe call for that in the year 2009 to update us on the
3 progress they are making with the investment that we are putting in. I think
4 we're spending a lot of money, and I think we should know where the money
5 is being spent and how it's being spent.

6 SENATOR HAWKINS: No question about it. I
7 think that motion is well placed, and we will instruct Staff to pursue that and
8 make sure that we have the timely accountability that we need to guarantee
9 that these monies are going to the projects that we're talking about, some sort
10 of understanding that when we enter into these agreements we expect some
11 sort of openness.

12 MR. BRYANT: Mr. Chairman, I'd like to add
13 something.

14 SENATOR HAWKINS: You may.

15 MR. BRYANT: Does the administration have
16 someone in place with the expertise on the subject of energy?

17 SENATOR WAMPLER: Inasmuch as Secretary
18 Gottschalk had that under his organizational chart, I'll give it to Secretary
19 Gottschalk.

20 MR. BRYANT: I've asked that question because
21 I'd like to know have we tapped that source?

22 SECRETARY GOTTSCHALK: Yes, under the
23 Department of Mines, Minerals and Energy there's the Division of Energy.
24 It's not very big, but it is a group of people that concentrate on this issue.
25 The Kaine Administration has created a new advisory, senior advisor to the

1 Governor on energy policies, Steve Waltz. In all candor, Steve is really the
2 expert and really knows his stuff. He is part and parcel of everything we do
3 in the Executive Branch on energy. We have good resources available.

4 SENATOR WAMPLER: Mr. Chairman, I don't
5 know that the government necessarily is the best business entity to try to
6 solve all of our energy needs. I think rightly we have recognized our
7 research institutions as the place that ought to be on the cutting edge. I spent
8 one day this week at Virginia Tech looking at energy research, and it's just
9 amazing. I wish every member of this Commission could go to our
10 institutions of higher education and look at what they're doing. It's just
11 amazing, and it would take your breath away to see the technologies that
12 they're trying to prove or disprove.

13 We also have the Secretary of Technology, who is very actively
14 involved in trying to make sure that the energy components are part of the
15 institutions' research. I'd say maybe Secretary Gottschalk and I could agree
16 that we may be a little skinny on the organizational chart, but when you look
17 at the experts in the field, we have plenty of our colleagues and universities.

18 SENATOR HAWKINS: What I think I'll do is
19 modify my request and ask the Staff to work with the existing agencies and
20 make sure that there are some checks and balances in place to deliver what
21 we expect them to deliver.

22 SENATOR REYNOLDS: Mr. Chairman,
23 shouldn't there be some kind of accountability, or let me put it this way,
24 shouldn't there be some consequences to those who do not respond?

25 SENATOR WAMPLER: I would respond that if

1 you read that application, there are burn rates for various components that
2 we don't fund a hundred percent of what they're seeking to accomplish, but
3 the discussion was that if it was a one-time capital piece, or whether it was
4 something for an operating piece component, they would have to perform to
5 what they provided in their application. If we're a minority investor, I don't
6 know how far we can go with the overall research component that we're
7 funding. Maybe Mr. Pfohl can explain that.

8 MR. PFOHL: Senator Reynolds, these are
9 organizations the Commission has made multiple investments in and
10 establishing the regional organizations and bringing together business and
11 educational partnerships. We've invested in facilities and operations, and
12 now we're taking this to new levels. I think these are all known entities to
13 the Commission. There are certainly reporting mechanisms, as there are for
14 all grants, and these folks will be held to performing the task that you are
15 approving today. If we have any issues where things appear to be getting off
16 track, we certainly want to advise those and bring those back to the
17 Commission. If we see that there are new directions they were not
18 envisioning here today, we will attempt to keep you apprised of that.

19 SENATOR REYNOLDS: The reason I asked that
20 question, maybe that I misread it, I think somewhere in the report that was
21 sent to us I got some indication, unless I misread it, there were some that
22 were asked to provide information that have not provided it.

23 MR. PFOHL: Nothing that I'm aware of. Maybe
24 that's the TROF.

25 SENATOR HAWKINS: Senator Reynolds, I think

1 you're referring to the TROF problem, some of those localities.

2 SENATOR REYNOLDS: Thank you.

3 SENATOR HAWKINS: Any discussion with
4 what we're about to do?

5 SENATOR WAMPLER: Mr. Chairman, my last
6 comment before I make a motion, unless someone wants to speak.

7 SECRETARY GOTTSCHALK: I think, because
8 of the magnitude of the dollars and the importance of this, I'd just like to
9 have a couple of minutes from Tim Pfohl to describe the project and maybe
10 where it's located. Maybe that's what Tim was going to do anyway.

11 MR. PFOHL: I'd be happy to. Received eight
12 proposals. There are six on page eleven that are being recommended to you
13 by the Special Projects Committee. These are all organizations and entities
14 that the Commission has great familiarity with and substantial investments,
15 including the Concerned Friends of Tobacco, project 1669, which was
16 funded two years ago out of Special Projects Committee to initiate research
17 and proof of concept demonstrations in northern Pennsylvania, a partnership
18 with Virginia Tech. This is another level of that bio-energy project, and the
19 Commission has the Bio-Energy Oversight Committee viewing over the last
20 two years that award, which is 873,000. They'll perform additional testing
21 for value-added products rather than just a bio-diesel crude. They're also
22 going to be looking at fair value products.

23 The Halifax Educational Foundation is the owner of the
24 Southern Virginia Higher Education Center in South Boston, which we
25 made several investments in the facilities operations, and this will enhance

1 the modeling and simulation capabilities that were approved this past fall out
2 of Southside Economic Development Committee, as well as establishing a
3 facility and partnership with Virginia Tech on wood science, education and
4 research. There is a historic building that will be renovated to expand the
5 campus of the Southern Virginia Higher Ed Center, and that is a significant
6 component of that \$8 million proposal, as well as the modeling and
7 simulation capabilities.

8 The Institute for Advanced Learning and Research, 1670, is
9 establishing a stable energy technology center, and hopefully we're all very
10 familiar with the Commission's investment to create the Institute for
11 Advanced Learning and Research. This is a research operation that will look
12 at bio-mass feed stocks to create bio-energy products.

13 Region 2000 Research Institute, and the Commission made
14 investments in that, and they've been doing business with the Center for
15 Advanced Engineering and Research. In Region 2000 we assisted helping to
16 establish CAER. At this point they're working with existing nuclear
17 industries and Babcock and Wilcox, as well as a communication firm, along
18 with Region 2000. This will establish a facility in New London Technology
19 Park. The Commission has also invested in Bedford to create a research and
20 educational presence in partnership with Virginia Tech and University of
21 Virginia and the Central Virginia Community College, and so forth. It's a
22 great pipeline of education, as well as business research opportunities there.

23 Southwest Virginia Higher Education Center. That's another
24 facility that the Commission has made multiple investments in. It's up the
25 road in Abingdon. They're in partnership with Virginia Tech's Coal and

1 Energy Research Center to establish a clean energy R&D Center. That's an
2 \$8 million request to build a facility up there.

3 The Wise County IDA Industrial Development, 1664, to
4 establish the Appalachian Research Center and Lonesome Pine Technology
5 Park, another facility that the Commission has made previous investments
6 in. The \$4 million recommendation is that be added to a \$1 million
7 recommendation that was made by Southwest Economic Development
8 Committee last fall. This enhances the Commission's investment in the Wise
9 County facility.

10 Most of these operations have been before you before,
11 specifically last fall, when in Special Projects three of these facilities or
12 entities were approved for funding to establish a feasibility operational
13 planning architectural and engineering, preliminary work, et cetera.

14 The other applicants have performed some business and
15 operational planning, and the summaries of those proposals are in front of
16 you.

17 SENATOR HAWKINS: It should be noted that
18 each one of these projects deals with a separate subject matter, so there is no
19 duplication. We'll be heading in several different directions with the same
20 investment, and I think that's very important. We're trying to cover the
21 spectrum as best we can. These monies will be utilized to look into that
22 particular discipline we're funding here.

23 Any other comments?

24 SENATOR WAMPLER: Mr. Chairman, Tim did
25 a very good job. I hope that's what the Secretary was looking for. If you

1 review all of them, nuclear, coal, bio-mass, nanotechnology, it's all cutting
2 edge, and I think we'll make a difference. If the applications are accurate,
3 you would see, as a result of this on an annualized basis going forward, at
4 least three to five times worth of research dollars, and that could equate
5 anywhere from \$15 to \$25 million annually that will be stimulated
6 throughout the region on our applied research and the results of the
7 investments today. That's a pretty good multiplier. I think if we're in the
8 business of providing incentives to modify behavior, I suspect you'll see
9 more applications, should we decide to recapitalize.

10 If there are no other questions or comments from the
11 Commission, I would move that the recommendations that we have, which
12 are items 1669, 1667, 1670, 1663 and 1664, be voted in a block. I would
13 reserve 1665 for subsequent motion purposes.

14 SENATOR HAWKINS: There may be a couple
15 more added to that. Does anyone dealing with another subject want to take
16 one out of the block?

17 SENATOR WAMPLER: I'd ask that 1669 be
18 removed from the block.

19 SENATOR HAWKINS: We have before us the
20 remaining recommendations. That motion has been made, and there is a
21 second. It's been moved and seconded. All those in favor say aye? (Ayes.)
22 Opposed? (No response.)

23 SENATOR WAMPLER: I would move that item
24 1669, which is Concerned Friends of Tobacco in the amount of \$873,000, be
25 adopted.

1 SENATOR HAWKINS: It's been moved and
2 seconded.

3 MR. BRYANT: I abstain.

4 MR. MAYHEW: I abstain.

5 SENATOR HAWKINS: Note the abstentions.

6 Any discussion? All in favor say aye? (Ayes.) Opposed? (No response.)

7 SENATOR WAMPLER: Mr. Chairman, I'd move
8 that item 1665 be adopted, Southwest Virginia Higher Education Center, in
9 the amount of \$8 million for the Energy Research and Development Center.

10 MR. THOMPSON: I'll abstain.

11 SENATOR HAWKINS: Note the abstention.

12 Any discussion? All in favor say aye? (Ayes.) Opposed? (No response.)

13 SENATOR WAMPLER: Mr. Chairman, that
14 completes the action items before Special Projects. There is one item the
15 Committee wished to report, if you'll give me a moment. The substance and
16 vote will come from the Executive Committee at the last part of our Agenda.
17 Special Projects had a balance of cash that was placed there for purposes of
18 recapitalizing another committee if need be. So no one will ask the question,
19 what happened to the following projects, I would at least like to hint that I
20 think in the Executive Committee report the Project Mainstream you will
21 find in the Executive Committee a proposal to spend the additional \$1.625
22 million. Agribusiness would be capitalized with another \$1 million.
23 Appropriations will take care of their matter. Then the last matter was for
24 the film office, an amount that was requested of \$300,000 to film the movie
25 Big Stone Gap. That is a direct match to what the Virginia Film Office, I

1 think, has. That would enable the movie to be made.

2 That would conclude the report of Special Projects, and I thank
3 the Commission for the time and attention to the report.

4 SENATOR HAWKINS: Thank you for your
5 report, and I appreciate the work the Committee did.

6 Next we have the Southside Economic Development.

7 MR. OWENS: Mr. Chairman, I'll be brief. The
8 Southside Economic Development Committee met on July 29th, and we
9 considered a one-time sensitive grant application on the Agenda. So, I'd like
10 to move that we approve grant number 1625 in the amount of \$1.625 million
11 in favor of Henry County for Project Mainstream, and in accordance with
12 Staff recommendation 7.908, contingent upon the Executive Committee
13 transferring a like amount to Southside Economic Development Committee.

14 DELEGATE MARSHALL: Second.

15 SENATOR HAWKINS: It's been moved and
16 seconded. Is there any discussion? Does everyone understand the motion?
17 All those in favor of the motion say aye? (Ayes.) Opposed, no? (No
18 response.)

19 MR. OWENS: We have a round of grant
20 applications for Southside Economic Development Committee for October
21 consideration. That completes my report.

22 SENATOR HAWKINS: Thank you.

23 Kathy, I want to thank you for the work your sub-committee did
24 on this report. The Blue Ribbon Panel Report is very important, and I know
25 you all spent a great deal of time, under your leadership. Your leadership

1 did not go unnoticed. Several people commented on the way you handled
2 the committee. Thank you for that, and I wanted that to be on the record.

3 Delegate Byron.

4 DELEGATE BYRON: Thank you, Mr. Chairman.
5 I appreciate your comments. The Committee met twice, and we had very
6 lengthy discussions. It was a very good exercise for all of us. I believe we
7 had at least three-quarters of the Commission review those recommendations
8 yesterday in our retreat. Before you today, and everyone should have the
9 paper that actually was a consensus of the retreat yesterday and the members
10 who participated in modifying a little bit some of the recommendations that
11 came out of the Long Range Plan Committee.

12 Mr. Chairman, unless there is a need to review those --

13 SENATOR HAWKINS: Yesterday we went
14 through this and had a wonderful discussion. Unless there's a burning desire
15 to have another open discussion, I think we could take them in a block. I
16 don't want to muzzle anyone's opportunity to speak. I think we all heard
17 each other yesterday on this. It is important, and we did spend a good
18 amount of time on it.

19 DELEGATE BYRON: Then I would move in a
20 block that we take all the recommendations on this sheet of paper in a block
21 as a recommendation from the Long Range Planning Committee.

22 SENATOR HAWKINS: My understanding is that
23 you're making a motion that recommendations four, five, seven, eight,
24 eleven, twelve, fourteen and eighteen be accepted by the full Commission.

25 DELEGATE BYRON: Yes.

1 DELEGATE HOGAN: Where are we in relation
2 to the amendments that we --

3 SENATOR HAWKINS: They were incorporated
4 into the final draft yesterday in the discussion. That was done yesterday.
5 That was my understanding.

6 DELEGATE BYRON: Yes.

7 SENATOR HAWKINS: We have before us four,
8 five, seven, eight, eleven, twelve, fourteen and eighteen to be accepted from
9 the Blue Ribbon Panel. Now, before we vote, much of their
10 recommendations we are already doing or is incorporated, and this is not all
11 the recommendations. These are the ones that are different from what we've
12 already accomplished. Any discussion? Is there a second? I have a second.
13 All those in favor say aye? (Ayes.) Opposed? (No response.) I think this
14 was certainly a good exercise, and I appreciate the frankness and openness in
15 the discussion we had yesterday. Hopefully, we can all benefit from that.

16 Moving down to the Executive Committee Report, Delegate
17 Kilgore.

18 DELEGATE KILGORE: Thank you, Mr.
19 Chairman. The Executive Committee met yesterday, and we had a good
20 meeting before the retreat. If you'll turn to tab six, the first motion I have is
21 behind tab six dealing with, or it's a resolution on which Sir Frank Ferguson
22 briefed us yesterday. It is concerning his request that S&M Brands be
23 helping us with some MSA enforcement activity. We had a discussion on
24 this in the Executive meeting. It was unanimously recommended that we
25 adopt this resolution so that we could get some more help with enforcing the

1 Master Settlement Agreement.

2 Mr. Chairman, I so move.

3 SENATOR HAWKINS: It's been moved and
4 seconded. Does everyone understand what we're doing? We're receiving
5 money so we can help defend ourselves with the help of the Attorney
6 General. Any discussion? All those in favor say aye? (Ayes.) Opposed?
7 (No response.) The motion carries.

8 DELEGATE KILGORE: The next motion I have
9 deals with amending the FY09 budget. We discussed this in the Executive
10 Committee yesterday, and we would transfer the following from Special
11 Projects: One million dollars transferred to Agribusiness; \$1.625 million to
12 Southside Economic Development Committee for Project Mainstream, in
13 accordance with their request; \$300,000 to the Virginia Film Office so that
14 we could, we authorized this in October of '07, to fund the movie production
15 in Wise County called Big Stone Gap. That would leave a balance in
16 Special Projects of \$1.5 million. I'd make a motion that we transfer those
17 three items from Special Projects.

18 MR. BANNER: Second.

19 SENATOR HAWKINS: It's been moved and
20 seconded these transfers take place. It's a normal process we go through
21 periodically to make sure that we fund some of these obligations. Any
22 discussion? All those in favor say aye? (Ayes.) Opposed? (No response.)
23 The motion carries.

24 DELEGATE KILGORE: Mr. Chairman, the next
25 motion I have deals with TROF. There is a memo you have behind tab six

1 from Mr. Stephenson, and that's entitled TROF Program Improvements. We
2 had a discussion on what we do when job promises, if we offer a cash grant
3 for job promises, or roughly what to do in situations where it doesn't happen.
4 What we did yesterday after a considerable amount of discussion, the
5 Executive Committee agreed to amend the TROF Guidelines to include all
6 TROF disbursements from any grantee which does not fulfill its obligation
7 under a previous TROF award. I think we amended that a little bit, Ned.

8 MR. STEPHENSON: Not retroactive, but
9 prospective.

10 DELEGATE KILGORE: Prospectively from
11 7-31-08 forward. Any county or any locality that receives a TROF award
12 would know that they would have to inform our Staff of what's going on
13 with the job creation, et cetera, and there would be a clawback provision in
14 there if it was underperforming.

15 SENATOR HAWKINS: I think everyone
16 understands the motion. Senator Reynolds, I believe this is what you were
17 referring to earlier.

18 SENATOR REYNOLDS: Yes, sir.

19 SENATOR HAWKINS: Any discussion? All
20 those in favor say aye? (Ayes.) Opposed? (No response.)

21 DELEGATE KILGORE: Now I would yield to
22 Mr. Owens, and I believe we'd have a motion, or the motion was to transfer
23 \$1.625 to Southside Economic Development.

24 MR. OWENS: We've already approved that.

25 SENATOR HAWKINS: Does that complete your

1 report?

2 DELEGATE KILGORE: Yes.

3 SENATOR HAWKINS: Thank you, sir. Good
4 work on that.

5 Next up is Neal Noyes, the Executive Director, his report.

6 MR. NOYES: I have a very brief report, Mr.
7 Chairman. Thank you for recognizing me.

8 Sarah, would you please come up to the podium? Ladies and
9 gentlemen, I wanted to introduce to you Sarah Capps, new Southside
10 Coordinator for the Virginia Tobacco Commission. She is a new member of
11 our Staff and recommended by every single member of our Staff to me, and
12 I'm very pleased we were able to secure her services. Please take a few
13 moments when you have a chance, especially in Southside Virginia, to get to
14 know this very fine and very talented young woman.

15 SENATOR HAWKINS: Look forward to working
16 with you, and I will see you often in Chatham, I hope.

17 MR. NOYES: That concludes my report.

18 SENATOR HAWKINS: We have just received a
19 list of the scholarships that have been awarded by the Commission to the
20 various institutions in the Commonwealth of Virginia. If you look at it, we
21 can realize the real impact we're having when it comes to educational
22 opportunities in our areas. Having said that, and dealing with the
23 importance of education, I would like to ask the Chairman of our Education
24 Subcommittee to look at the current system we have and see if we can
25 improve on that and, possibly, taking a block of money and putting it into

1 some sort of endowment for education. That would be an ongoing process if
2 it would work. So, if we could take a block out of the funds we have
3 available to set up an educational trust fund, it might be something we need
4 to look at.

5 SENATOR RUFF: Yes, sir. I plan to do that. I
6 think that is a good public policy.

7 SENATOR HAWKINS: Any other suggestions?
8 If any member has any comments about how we can improve education and
9 workforce training, please get in touch with Senator Ruff, because that's a
10 very important part of our overall charge.

11 DELEGATE KILGORE: I think Delegate
12 Johnson said this yesterday. This is one of the best programs that the
13 Tobacco Commission has been engaged in, giving these scholarships to farm
14 families so their children can go to college. It's mentioned to me a lot of
15 times, and I'm sure it's been mentioned to others in the Commission. I think
16 this is something that the Tobacco Commission has had good foresight in
17 doing.

18 SENATOR HAWKINS: I see Senator Wampler's
19 university has a representative here.

20 DELEGATE JOHNSON: Mr. Chairman, to me
21 the money that is spent on these scholarships is the most important money
22 we can spend. If you look at this printout, you can see how many students
23 are taking advantage of it and using it. We're having great results with it. If
24 you look at Washington County, 1,131 students in school, without the
25 scholarship money they would not be in school. Scott County, 612, Russell,

1 650, Tazewell, 63, Washington County, 619. We're talking about students
2 who wouldn't be able to go to school were it not for these scholarships,
3 because they have to qualify for them, and they're just not passed out.
4 You've got to have financial need and financial means in order to get them.
5 It's unbelievable the good that has come about because of these scholarships.
6 I talked to a gentleman the other day who went from no education to a
7 GED, then got a BA and a Master's Degree, and then a Doctorate Degree,
8 Southwest Virginia Higher Ed Center, and not only that, his salary jumped
9 up \$15,000. I'm thinking of how many biscuits or slices of ham and eggs
10 that are put on the table for kids. It's unbelievable, you'll never be able to
11 measure the good that this scholarship program has done.

12 SENATOR HAWKINS: I think you're exactly
13 right, Joe.

14 DELEGATE MARSHALL: I agree a hundred
15 percent with what Delegate Johnson just said. One of the things we need to
16 do is educate the young folks so they'll come back to our areas. If they come
17 back to the area, we forgive the loan. In the future, could we have or find
18 out how many people are returning back to the community after we make this
19 investment in education?

20 SENATOR HAWKINS: We're constantly trying
21 to figure out a way to encourage that, and it's going to be an ongoing
22 process, but it's a good point.

23 Before we get into public comment, I think the next meeting
24 will be in Blacksburg on October 30th. I would like to have some
25 opportunity for the Commission to look at the research that is going on and

1 the energy components in that field that we talked about earlier.

2 SENATOR WAMPLER: I've written that down.

3 SENATOR HAWKINS: Delegate Hogan on
4 Technology.

5 DELEGATE HOGAN: We ought to be meeting in
6 the next month or six weeks to talk about doing something, maybe in
7 Southwest, or what's going on in Southwest, and I would hope we would be
8 able to receive applications and moving forward on that prior to our October
9 meeting.

10 SENATOR HAWKINS: I appreciate that.

11 Now, we have some people who are trying to make plane
12 connections, and one leaves around 11:30.

13 SENATOR RUFF: Mr. Chairman, I want to make
14 sure everybody knows that a former member of this Commission, J. T.
15 Taylor, died two weeks ago. I'd ask the Chairman to send a letter.

16 SENATOR HAWKINS: I think we need to send
17 not only a letter but we have to make sure everybody understands the loss is
18 felt for all of us. We'll adjourn in his memory. He was a good friend and an
19 active member of this Commission. I'm sorry to hear that. He's a real loss.
20 We'll certainly convey our sorrow and support.

21 Now, box lunches are available for the Commission.

22 Is there anyone who would like to make a comment, this is the
23 public comment period, or questions?

24 Please identify yourself. I would ask you to brief, if you would,
25 because we have some planes to catch.

1 MR. LOFLIN: My name is Lewis Loflin, and I'm
2 a resident of Bristol, Virginia, and what I do is track what our state
3 government is doing with tax dollars. A number of these projects I have
4 seen, and I also have an extensive amount of paper on the Tobacco
5 Commission. With all due respect, there is still a problem with
6 accountability. I spent Friday at a remote area in Wise. All this money,
7 \$452 million, is mostly going to fund IDAs, and it seems on the outside it's
8 doing nothing but funding government bureaucrats, consultants, contractors.
9 For the ninth straight year we've set a poverty record. I notice most of the
10 license plates, they are Virginia residents. It's not like two-thirds of them are
11 coming from West Virginia. They are Virginia residents. How many jobs
12 do tobacco farmers have that the Barter Theater created? What do these
13 kinds of projects do for a typical man or woman who lives in this district
14 who needs to earn a decent living? Thank you.

15 SENATOR HAWKINS: I think your comments
16 are well placed, and I certainly understand your concern. We've always had
17 a concern about making sure that what we did was long-term stability in the
18 community, and always pleased to have comments from the public. The
19 monies we're dealing with are really not tax dollars, and they are moneys
20 that tobacco companies are sending to us through the state, so it's not taxable
21 money, as such. That's something we always have to be aware of.

22 The other part about the Barter Theater, other things may not
23 have a direct impact on jobs, but they bring to an area a certain identity and a
24 certain quality of life that will attract investments in outside communities
25 that may not be there without that type of investment. There are people in

1 large corporations that when they look at a community, they look at quality
2 of life, they look at the aspect of the cultural life of the community, and the
3 Barter Theater is a major attraction for the State of Virginia, and it's done a
4 lot for us. We tried to raise the standard of living for the entire community
5 and invest as best we can in the future. Most of what we've done, and
6 particularly the scholarships and the many jobs that have been created, there
7 are thousands of jobs that have been created directly from things we've put
8 into play, that change the dynamics of our communities, and hopefully by
9 the next generation we will have a better educated workforce and be able to
10 address the economies this time and this place. Your continued vigilance of
11 looking at us is good, because we try to be as transparent as possible. I look
12 forward to working with you, and if you have any comments, please let me
13 know, and thank you for being here.

14 MR. LOFLIN: I appreciate it, sir.

15 SENATOR HAWKINS: We've got a plane that's
16 leaving --

17 MS. GUNN: Excuse me, I'm Virginia Gunn, and I
18 spoke yesterday, and I'll try to be brief. The Crossroads Medical Mission
19 and Free Clinic. There are many in the state, health patients who have other
20 health issues, like cancer, from the use of tobacco. In the fourth column of
21 today's newspaper in the Bristol area it said yesterday saying that heavily
22 investing in education that you all are doing and your technology which you
23 all are doing, congratulations, and health care. I've read all the committees,
24 Senator Wampler, and all of these reports, and I'm seeing a serious omission
25 of concern. I suggest that in the near future you think about the healthcare

1 of the people that you are trying to educate, and they won't have any parents
2 to come back to.

3 SENATOR HAWKINS: Thank you for your
4 comments. What we'll have to do, and I apologize for having to rush this.
5 We will be leaving, and I'll turn the gavel over to the Vice Chairman to
6 continue the meeting if anybody has any public comments.

7 DELEGATE KILGORE: Is there anyone else who
8 would like to speak, or anybody from the public who would like to make any
9 comments? Hearing none, do we have a motion to adjourn? So moved.
10 We're adjourned.

11

12 PROCEEDINGS CONCLUDED.

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22 CERTIFICATE OF THE COURT REPORTER

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I, Medford W. Howard, Registered Professional

1 Reporter and Notary Public for the State of Virginia at large, do hereby
2 certify that I was the court reporter who took down and transcribed the
3 proceedings of the **Virginia Tobacco Indemnification and Community**
4 **Revitalization Commission Full Commission Meeting when held on**
5 **Thursday, July 31, 2008 at 10:00 a.m. at the Holiday Inn, Bristol,**
6 **Virginia.**

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

9 Given under my hand this 5th day of August,
10 2008.

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20 My Commission Expires: October 31, 2010.

21 Notary Registration Number: 224566

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large