

1                   **VIRGINIA TOBACCO INDEMNIFICATION**  
2                   **AND COMMUNITY REVITALIZATION COMMISSION**

3                   701 East Franklin Street, Suite 501  
4                   Richmond, Virginia 23219

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8                   **Full Commission Meeting**

9                   Tuesday, January 13, 2015

10                  10:00 o'clock a.m.

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14                  CROWNE PLAZA HOTEL - DOWNTOWN

15                  Richmond, Virginia 23219

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1     **APPEARANCES:**

2     The Honorable Terry G. Kilgore, Chairman  
3     The Honorable Frank M. Ruff, Vice Chairman  
4     Mr. Kenny F. Barnard  
5     The Honorable Kathy J. Byron  
6     Mr. John R. Cannon  
7     The Honorable Charles W. Carrico, Sr.  
8     Ms. Rebecca Coleman  
9     The Honorable James Edmunds  
10    Ms. Missy N. Gould  
11    Mr. Frank Harris  
12    Ms. Carrie Chenery  
13    For Secretary Haymore  
14    The Honorable Maurice Jones  
15    Secretary of Commerce and Trade  
16    The Honorable Daniel W. Marshall, III  
17    Mr. H. Ronnie Montgomery  
18    Ms. Sandra F. Moss  
19    The Honorable Edward Owens  
20    Dr. Todd Pillion  
21    Dr. David S. Redwine, DVM  
22    Mr. Kenneth O. Reynolds  
23    Mr. Cecil Shell  
24    The Honorable Ralph K. Smith  
25    Mr. Robert Spiers

1     **APPEARANCES (Continued):**

2     The Honorable William M. Stanley, Jr.

3     Mr. Richard Sutherland

4     The Honorable Thomas C. Wright, Jr.

5

6     **COMMISSION STAFF:**

7     Mr. Timothy S. Pfohl, Interim Executive Director and  
8         Grants Program Administration Director

9     Mr. Ned Stephenson, Deputy Executive Director

10    Ms. Stephanie S. Kim, Director of Finance

11    Ms. Sara G. Williams, Grants Program Administrator -  
12         Southwest Virginia

13    Ms. Sarah K. Capps, Grants Program Administrator -  
14         Southside Virginia

15    Mr. Benjamin Dawson, Assistant  
16         Southside Virginia

17    Ms. Jessica Stamper, Assistant  
18         Southwest Virginia

19    Ms. Carolyn Bringman, Performance Data Analyst

20    Ms. Suzette Patterson, Grants Office Manager

21    Ms. Stacey Richardson, Executive Assistant

22

23    **COUNSEL FOR THE COMMISSION:**

24    Ms. Heather Lockerman, Senior Assistant Attorney General

25

1 January 13, 2015

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3 DELEGATE KILGORE: I'll call the meeting to order and  
4 welcome everyone. We've got a lot to do here this morning, and  
5 we'll try to get you in and out as soon as possible. And I'll ask  
6 the Executive Director to please call roll.

7 MR. PFOHL: Mr. Barnard.

8 MS. BARNARD: Here.

9 MR. PFOHL: Secretary Brown.

10 SECRETARY BROWN: (No response).

11 MR. PFOHL: Delegate Byron.

12 DELEGATE BYRON: Here.

13 MR. PFOHL: Mr. Cannon.

14 MR. CANNON: Here.

15 MR. PFOHL: Senator Carrico.

16 SENATOR CARRICO: Here.

17 MR. PFOHL: Ms. Coleman.

18 MS. COLEMAN: Here.

19 MR. PFOHL: Delegate Edmunds.

20 DELEGATE EDMUNDS: Here.

21 MR. PFOHL: Ms. Gould.

22 MS. GOULD: Here.

23 MR. PFOHL: Mr. Harris.

24 MR. HARRIS: Here.

25 MR. PFOHL: Ms. Chenery, Secretary Haymore's

1       designee.

2                   MS. CHENERY: Here.

3                   MR. PFOHL: Secretary Jones.

4                   SECRETARY JONES: Here.

5                   MR. PFOHL: Delegate Kilgore.

6                   DELEGATE KILGORE: Here.

7                   MR. PFOHL: Delegate Marshall.

8                   DELEGATE MARSHALL: Here.

9                   MR. PFOHL: Mr. Merricks cannot be with us.

10                  Mr. Montgomery.

11                  MR. MONTGOMERY: Present.

12                  MR. PFOHL: Mr. Moore.

13                  MR. MOORE: (No response).

14                  MR. PFOHL: Delegate Morefield unfortunately couldn't  
15 be with us today. We learned this weekend his father has passed  
16 away, and we send our condolences to his family.

17                  MR. PFOHL: Ms. Moss.

18                  MS. MOSS: Here.

19                  MR. PFOHL: Mr. Owens.

20                  MR. OWENS: Here.

21                  MR. PFOHL: Dr. Pillion.

22                  DR. PILLION: Here.

23                  MR. PFOHL: Dr. Redwine.

24                  DR. REDWINE: Here.

25                  MR. PFOHL: Mr. Reynolds.

1 MR. REYNOLDS: Here.

2 MR. PFOHL: Senator Ruff.

3 SENATOR RUFF: Here.

4 MR. PFOHL: Mr. Shell.

5 MR. SHELL: Here.

6 MR. PFOHL: Senator Smith.

7 SENATOR SMITH: Here.

8 MR. PFOHL: Mr. Spiers.

9 MR. SPIERS: Here.

10 MR. PFOHL: Senator Stanley.

11 SENATOR STANLEY: Here.

12 MR. PFOHL: Mr. Sutherland.

13 MR. SUTHERLAND: Here.

14 MR. PFOHL: Mr. Walker.

15 MR. WALKER: (No response).

16 MR. PFOHL: Delegate Wright.

17 DELEGATE WRIGHT: Present.

18 MR. PFOHL: You have a quorum, sir.

19 DELEGATE KILGORE: Late last year, we lost a

20 member of this Commission, David Cundiff, passed away

21 unexpectedly, so I'd ask that we have a moment of silence for

22 David Cundiff. All right, thank you all. Dave was a great

23 member, and we're going to miss him on the Commission.

24 Now, in the past, we've been able to help our cancer

25 centers trying to move ahead in the research area, and in the

1 past, our cancer centers, UVA and VCU Massey, and they're here  
2 today to make a presentation as far as what's going on so that  
3 we, as Commissioners, know where we're at.

4 Before we do that, before I get ahead of myself, we  
5 need to approve the minutes of 9-25-14. I've got a second. All  
6 those in favor of the minutes, say aye. (Ayes). Opposed? (No  
7 response). All right, thank you.

8 Back to my introduction. At this time, I'll ask UVA to  
9 come forward and we look forward to hearing the exciting things  
10 that are going at the UVA Cancer Research Center.

11 DR. LOUGHRAN: Thank you, Mr. Chairman, and  
12 members of the Committee. It's a pleasure to testify here today.  
13 My name is Thomas Loughran, and I'm the director of the Cancer  
14 Center at UVA. You also have a handout of a little bit more in-  
15 depth presentation. What I wanted to do today was give you an  
16 overview of the UVA Cancer Center, and point number two to  
17 emphasize how we've had an impact upon the citizens of  
18 Southwest Virginia through funding of the Tobacco Commission.

19 MR. PFOHL: We're pulling that up, folks, the handout  
20 is on page 5.

21 DR. LOUGHRAN: Our mission is to reduce the burden  
22 of the care to the patient today and make sure through our  
23 research and education efforts that the cancer burden becomes  
24 less in the future.

25 Next slide. Just a few background comments. It has

1     been, the UVA Cancer Center has been designated from the NCI  
2     since 1987 and has enjoyed consecutive funding for the past 27  
3     years. We have 157 faculty members that are doing cancer  
4     research distributed throughout four schools and at the grounds  
5     at UVA. We also offer clinical services in our state-of-the-art  
6     outpatient center, is the Emily Couric Clinical Cancer Center. We  
7     also have a number of distributed outpatient facilities in about a  
8     60-mile radius of Charlottesville.

9             Okay, this is a really important map of our area, and  
10     these are the people we serve. It's a density distribution, and  
11     the deeper color represents more people, but you'll notice a lot of  
12     our effort is in the tobacco areas, particularly in Southwest  
13     Virginia.

14             The next slide. We are committed to rural care. UVA  
15     is a rural cancer center. The NCI was established in 1971 by an  
16     act of Congress, and one of our initiatives is to make sure that  
17     everyone in the United States has equal access in geography and  
18     also special populations also have the access to major cancer  
19     centers. By latter category, a great example of a cancer center  
20     that serves the nation for offering state-of-the-art care and  
21     research for patients in rural areas.

22             This map is probably quite familiar to you in terms of  
23     emphasizing the poor health outcomes, which are the higher  
24     numbers and dark colors and distributed pretty much in the rural  
25     areas and in the Tobacco footprint.

1                   Next slide. As part of our mission, we have  
2 established connections through the Tobacco funding and with  
3 trust over many years. And now, we've established a real  
4 stronghold in that area to accomplish good relations. I'm going  
5 to outline and give you an example of how we spend Tobacco  
6 funding in the areas of education, prevention, early detection,  
7 patient navigation, and research. The handout goes into a lot  
8 more detail, and I have one or two slides in each of these major  
9 areas.

10                   Okay, this slide shows the four programs that have  
11 been funded from the Tobacco Commission. The total that we've  
12 matched so far is \$3.5 million.

13                   Next slide, please. Again, in terms of emphasizing  
14 community trust, one of the first things we did was establish a  
15 Community Advisory Board. This shows the members and  
16 meetings in 2013. And the next slide tells you who these people  
17 are. They are prominent, as well as educators in the  
18 communities of Southwest Virginia.

19                   Next slide, please. Here's an example of an important  
20 category of providers training in education. UVA is located in  
21 Charlottesville, and that could be a four-to-six-hour drive to get  
22 to our hospital services. Therefore, our real important mission is  
23 to train people on the ground, if you will, in Southwest Virginia,  
24 so they can address issues for citizens in that area. An example  
25 here is this curriculum we developed for nurses, which started at

1 the UVA School of Nursing, and so far, 42 nurses have been  
2 trained. And our local champions include the Appalachian Tri-  
3 College Nursing Program, as well as the UVA College at Wise  
4 Department of Nursing, plus the program is home-grown, and  
5 people that are trained and are living in the area, that's a model  
6 for future career development and training. This whole training  
7 program has now been incorporated into the UVA School of  
8 Nursing curriculum, the nurses being trained in Charlottesville.

9 Another important initiative, I think really a great  
10 testimony to our outreach is our Telemedicine Program. Dr.  
11 Ruban is an international authority in telemedicine, and Virginia  
12 is very much advanced in this area and some other states in the  
13 country. She's in attendance, and I thank her for that.

14 When I first moved to Charlottesville, my wife and I  
15 went to a Sunday church session, and in the middle of the  
16 sermon they introduced two young women who turned out to be  
17 nurse practitioners in Southwest Virginia, and they told this  
18 horror tale of two young women, each 30, with multiple children,  
19 who died unnecessarily of advanced cancer. I'm sure the  
20 gentlemen in the audience will appreciate this comment. My wife  
21 nudged me, you know you need to talk to these people. And I  
22 met them after church, and I said I'm the new director of the  
23 Cancer Center at UVA, I need to help you, and I was really struck  
24 by her response. No, I need to thank you, Dr. Loughran, you are  
25 already in Southwest Virginia, and she was referring to the

1 Telemedicine Program.

2           Here, we're able to visualize high risk women as they  
3 receive cervical exams. Dr. Teller, who is pictured here, is a  
4 pioneer in this program, and he and his colleagues are able to  
5 visualize the actual exam and tell the nurse practitioner this area  
6 looks suspicious, you need a biopsy of that area. He also  
7 provides follow-up care for abnormal pap smears. As we all  
8 know, cervical cancer is a very easily preventable cancer, and  
9 this is a testimony to that program.

10           Next slide, please. Another important initiative again  
11 in the form of training on the ground, if you will, is the whole  
12 concept of efficient navigator. The care of cancer is very  
13 complex and even more complicated with new therapies now  
14 available that are revolutionizing cancer care. A typical patient  
15 with cancer may need to see a medical oncologist like myself,  
16 radiation oncologist, surgical oncologist, pulmonary medicine,  
17 and internal medicine. They need to have a number of tests  
18 scheduled. Their care may be sequential or delivered and  
19 currently. To make it a lot easier on the patient, these people  
20 that are navigators are really shepherding individual patients  
21 through the health care system and making sure they know  
22 exactly when and where to go for treatment or diagnostic tests.  
23 Right now, we have connected 78 patients from Southwest  
24 Virginia for care directly at UVA, but, more importantly, we have  
25 now over 1,500 encounters by training 67 navigators, and we've

1 also hired four people to start the training program located in  
2 Southwest Virginia.

3 Another important mission of ours is cancer research,  
4 and all current cancer care was developed as standard therapy  
5 through the initiation many years ago of clinical trials. This is a  
6 way of addressing it and making sure that patients in Southwest  
7 Virginia in the rural counties listed in the bottom of the slide have  
8 access to the state-of-the-art new therapies developed for  
9 cancer.

10 Next slide. Our new program just getting started next  
11 February continuing the theme of a cancer center without walls,  
12 but it's really focused on the survivor network. The good news  
13 for cancer is that incrementally and slowly over time with  
14 increased survivors from about 40 percent 10 or 15 years ago to  
15 now about 60 percent all patients diagnosed with cancer can in  
16 five years still be cancer-free, and mostly likely cancer survivors.  
17 However, their care is complicated. They also realize that  
18 oncologists are continuing to in continued care, and oncology is  
19 kind of a super specialty, a limited number throughout the  
20 country.

21 Basically, the Survivorship Program is basically a  
22 program to provide health care and transition for these patients,  
23 what they should do at one month, three months, six months,  
24 one year, two years, five years after the diagnosis of cancer.

25 We have three specific aims, and we are again

1 training a number of health care providers, 100 health  
2 professionals receive training in telemedicine. And you'll notice  
3 that telemedicine again is an important executive action for  
4 getting this program done in Southwest Virginia, and we're  
5 starting in three major areas of transplant patients, and elderly  
6 patients of cancer, which is an entire new field of cancer,  
7 research, and care, then patients that are at an increased risk of  
8 relapse. This slide summarizes our shared vision and goals that  
9 we have at the Cancer Center, and I'll be glad to share that with  
10 the Tobacco Commission. Basically, it is to improve the health of  
11 our citizens that live in the Tobacco Region, and UVA is focused  
12 on Southwest Virginia.

13 That concludes my thoughts again with the summaries  
14 and the slides and reaching out to our citizens in Southwest  
15 Virginia. Thank you for your attention. I'll be glad to answer any  
16 questions.

17 DELEGATE KILGORE: Thank you all for what you do in  
18 our Southside and Southwest areas of Virginia. Thank you so  
19 much for coming.

20 Now, we're going to hear from VCU. That's on page 9  
21 of your book.

22 DR. GINDER: I'd like to thank the chairman and all of  
23 you on the Commission, and thank you for your kind support  
24 over the years for the Massey Cancer Center through your  
25 grants, and I'm excited to be able to give you some details about

1 the programs you have supported that's had a positive impact  
2 across the Tobacco County Regions, Southside and Southwest  
3 Virginia.

4 The first slide. This is just a listing of projects that  
5 have been funded by the Commission over the years. The first of  
6 those is entitled Cancer Research Rural Outreach Program,  
7 Southside Cancer Clinical Trials and Prevention and Control  
8 Research. Subsequently, the next program, Saving Lives and  
9 Reducing Suffering and Death from Cancer in Virginia. 2010,  
10 Improving Health and Productivity of the Tobacco Region  
11 Workforce. And then in 12, Working to Achieve a Cancer-Free  
12 Virginia.

13 Then there is a project we have pending, Continuing  
14 the Work to Achieve a Cancer-Free Virginia.

15 Next slide, please. The first grant focused in a large  
16 part to establish a new cancer research rural outreach program  
17 to give residents of the Tobacco Region and particularly in this  
18 grant, the Southside Region, access to life-saving clinical trials  
19 and prevention and control research, which is only offered  
20 through the National Cancer Institute. That program has some  
21 details in the handouts and serve 24 residents accrued onto  
22 therapeutic clinical trials. A hundred and thirty-two residents  
23 accrued into prevention and nontherapeutic clinical research  
24 projects. About 864 residents participated in something we set  
25 up at the libraries in Southside, Health Information Advocacy

1 Program, which is extremely popular with citizens in those  
2 regions, some of whom you represent, and they had a lot of good  
3 comments for these programs. That also included providing jobs  
4 for seven residents, and about a thousand total people in the  
5 Southside Region were served by that project.

6 Next slide. Our next project entitled Saving Lives and  
7 Reducing Suffering and Death from Cancer in Virginia. That was  
8 designed to expand the cancer prevention and control and  
9 epidemiologic research initiatives throughout Southside and  
10 Southwest. Then Improving Health Information Literacy, that  
11 had a positive impact and we had some very good outcomes as  
12 far as cancer deaths that Dr. Loughran referred to earlier. A lot  
13 of that was about providing information and have access to  
14 information to get the type of services that people need.

15 Also, to perform a comprehensive cancer needs  
16 assessment to identify gaps in services and to be able to provide  
17 the resources needed to better serve people living in those  
18 regions.

19 In this particular program, over a thousand residents  
20 accrued onto prevention of clinical research projects. Twenty-  
21 three thousand and some participated in the programs, including  
22 the library program, 150-some number of programs conducted,  
23 and four health district cancer needs assessments published, and  
24 22 residents were employed on grant projects as a part of these  
25 projects in Southwest and Southside. About thirty-seven

1 thousand and some were touched by this project, and able to  
2 reach across the region.

3           Next slide. The next grant focused on implementing  
4 the health and productivity of the Tobacco Region workforce.  
5 And that was to address cancer disparities developed by  
6 researchers and referring to the high death rates in this region.  
7 That was conducted by the researchers at the Virginia Massey  
8 Cancer Center. That had a lot to do with the needs assessments,  
9 so we were able to reach across the entire Southside and  
10 Southwest Region in the health districts with those needs  
11 assessments in introducing novel techniques to reduce barriers to  
12 cancer screening, which is a big component of outcomes. Early  
13 detection and people not being screened adequately and  
14 maintaining continued employment. About 430 residents  
15 participated in the cancer needs assessment meetings, having to  
16 understand the need in those health districts. About 4,300  
17 residents accrued onto prevention clinical research projects, and  
18 21 residents were employed on grant projects.

19           Next slide. This is the most recent one, Working to  
20 Achieve a Cancer-Free Virginia. This was focused a little bit  
21 different because this came out after the legislation and the  
22 Commission providing support for cancer research at the  
23 designated cancer centers at Virginia, being University of Virginia  
24 Cancer Center and the VCU Massey Center. This helped develop  
25 a statewide clinical trials network that provides greater quality

1 and scope of the clinical trials, including a large part of  
2 Southwest and Southside Regions. That includes the transitional  
3 clinical and prevention and control research, which are required  
4 to be developed in these clinical trials and prevention measures.  
5 And that has an impact on people reaching out, also, to increase  
6 the scope of clinical care and prevention and control services.

7 As part of this, which is still ongoing, 16 new clinical  
8 trials were open and made available, 54 residents participated,  
9 15 new programs conducted, for a total of 670-some residents  
10 participated, and seven residents were employed on grant  
11 projects. That was a total of about 1,100 people, residents were  
12 impacted by this project.

13 Finally, in the next slide, the final proposal continuing  
14 the work to achieve a cancer-free Virginia, funding to continue  
15 the progress in developing and continuing programs previously  
16 granted.

17 Next slide. An overall summary of accomplishments  
18 to date, and we've had wonderful feedback from the citizens in  
19 your communities about the impact and positive impact we've  
20 had. On the therapeutic clinical trials, 20 clinical trials opened,  
21 and these trials will continue over the next several years.  
22 Prevention and control research. The total number of individuals  
23 able to be enrolled in those 11 projects, 4,574 residents enrolled.  
24 Research and resource centers have had a major impact, 407  
25 programs and 18,000 residents participating. The Health

1 Information Advocacy, 34 educational events conducted, 414  
2 residents participating, over 87,000 visits to the website that was  
3 developed.

4 Finally, the Cancer Needs Assessment, *Nine Health*  
5 *District Needs Assessments* published. There are copies of each  
6 of the *Nine Health District Assessments* available to you. All nine  
7 were assessed. Five hundred and sixty-eight residents  
8 participating in town hall meetings, and 158 physicians  
9 interviewed. We believe this will form an important basis  
10 informing public policy and the outcomes for patients affected  
11 with cancer and ultimately increase screening and prevention and  
12 try to prevent people from getting cancer.

13 So, I guess at this point I'll wrap it up and thank you  
14 very much. This is just a map showing all the sites that we  
15 touched in the state, and you can see we're quite heavily in the  
16 Southside and Southwest and in large part because of the  
17 generous support we receive from you folks from this  
18 Commission. Thank you very much. I'll be happy to answer any  
19 questions.

20 DELEGATE KILGORE: We want to thank VCU and UVA  
21 for what you've done in working for health outcomes in Southside  
22 and Southwest, and we ought to give you a hand for what you're  
23 doing. (Applause).

24 MS. GOULD: I have a question for Dr. Ginder. This  
25 might be a question for you and UVA. Missy Gould, member of

1 the Commission from Danville. Would you talk a little bit about  
2 any coordination that the two of you have since the footprint  
3 overlaps?

4 DR. GINDER: I'll mention one, and one was, we  
5 focused on the health needs assessment, and they focus more on  
6 telemedicine and things like that.

7 DR. LOUGHRAN: I'd say we're complimentary in  
8 different strengths, and some of this overlaps in the Tobacco  
9 footprint. And another example of collaboration, and we have a  
10 number of clinical trials that are started at UVA and also started  
11 up at the same time at Massey. The second one is that we are  
12 having a fund-raising event, and I'm sure the State of Virginia  
13 knows about the V Foundation, that event in Charlottesville in  
14 April. And that's a fundraising event that both cancer centers are  
15 focused on.

16 Lastly, I think a really important initiative is we have  
17 large what are called shared resources and large equipment  
18 items and also are complementing by working in an agreement  
19 with researchers at UVA have access to Massey.

20 DR. GINDER: But we already have a number of those  
21 clinical trials, and we have our clinical research experts that meet  
22 and discuss on a regular basis the opportunities to share that  
23 information. And some of these trials come out of the basic  
24 research on patients before they've been widely approved and  
25 it's an opportunity to draw from both centers to increase the

1 access of those kind of trials.

2 MS. GOULD: Thank you.

3 MR. CANNON: I'm John Cannon. Have you  
4 established any particular counties in the footprint that have an  
5 extensive amount of cancer versus any other areas?

6 DR. GINDER: I don't have that information at my  
7 fingertips, but they're probably stated with the concentration  
8 across the region, but I think they're all above the national  
9 average, so that's one of the reasons this is very important to  
10 focus on.

11 DR. LOUGHRAN: I'd just like to say that all counties  
12 in the Tobacco footprint are much higher than some of our  
13 common cancers in the U.S., particularly lung cancer. More  
14 importantly, it's not just the incidents which might be a few  
15 percent, but it's really late stage diagnosis, but all these  
16 programs are educating people and also making sure they have  
17 access, because we don't want to see a patient that is potentially  
18 curable come in with a late disease that we can't do anything  
19 about.

20 DR. GINDER: The big focus on these programs is a  
21 needs assessment, the gap, and why is that? We think we know,  
22 but we may not know. That's why those trials are so important.

23 SECRETARY JONES: The first thing I applaud what  
24 you all are doing, but I'm wondering, it looks like we're seven  
25 and almost eight years with you and your work. Do we know

1 now are fewer people getting cancer in the Tobacco region? Or  
2 do we have longer survival rates than since you started? Or are  
3 fewer folks dying from cancer now in the Tobacco region than  
4 when you started? I'm trying to get a sense of how do we know  
5 that you're having an impact on the real metrics matter?

6 DR. GINDER: That's a good question. I don't know if  
7 we know exactly, but I will point out genetic incidents often occur  
8 two or three decades before the actual cancer event. This is a  
9 long-range process, and I think the biggest impact, as far as a lot  
10 of these programs in terms of prevention or early prevention, life  
11 style changes, et cetera, would probably take a couple of  
12 decades to really show up. From the screening and early  
13 detection, I don't know that that data is published yet, but it's a  
14 little lagging as far as the publication, probably two or three  
15 years behind the actual event and the ones that are published by  
16 the American Cancer Society and others.

17 DR. LOUGHRAN: I agree with that. I think the major  
18 thing we all want to do is prevent cancer, that's the easiest way  
19 of reducing the burden, and that's a ten-to-twenty year  
20 assessment in terms of colon cancer and breast cancer.

21 DELEGATE KILGORE: Thank you very much. Before  
22 we get started, I do want to recognize two of our newest  
23 members from the farming community, Mr. Cecil Shell, welcome  
24 to the Commission.

25 MR. SHELL: Thank you, and I certainly appreciate it,

1 and I'll do the best I can.

2 DELEGATE KILGORE: Well, we appreciate that.

3 Then Richard Sutherland, welcome to the Commission,  
4 and I hope yesterday didn't discourage you.

5 MR. SUTHERLAND: I showed up this morning.

6 MR. PFOHL: We hope to introduce you today to our  
7 newest staff member, Sarah Goodwin. Unfortunately, she had a  
8 sick child and couldn't be here today. Sarah joined us a couple  
9 of months ago in the fiscal technician position after the  
10 retirement of her predecessor. Hopefully, you'll get to meet her  
11 soon.

12 DELEGATE KILGORE: All right, let's go ahead and  
13 start with Agribusiness.

14 MR. SPIERS: Agribusiness Committee, Mr. Chairman,  
15 on page 14.

16 DELEGATE KILGORE: When you present your  
17 committee information tell us what page in the book you're  
18 referring to.

19 MR. SPIERS: The Agribusiness Committee met  
20 December 17<sup>th</sup>, and we had a forum present. After hearing  
21 presentations on ten requests and the hearing recommendations  
22 from staff and questions from the audience and questions from  
23 the members, we do have a recommendation for the  
24 Commission. Normally, I'd have a recommendation to vote as a  
25 block, but --

1 DR. KILGORE: I think there's one with controversy.

2 MR. SPIERS: Yes, sir. I'd like to suggest that we take  
3 Grant 2962 and vote on that separately because we have some  
4 discussion. Other than that, I would recommend that the first  
5 five grants showing on page 14 totaling \$665,709 for approval.  
6 As I said, I'd hold back 2962 for further discussion. We had quite  
7 a bit of discussion at the Committee level, but I think there's  
8 some other information that has arisen, and there may be some  
9 questions on that grant.

10 DELEGATE KILGORE: The ones you're asking to take  
11 in the block are Grant Numbers 2956, 2957, 2973, 2959, and  
12 2961. Is that correct?

13 MR. SPIERS: That is correct.

14 DELEGATE KILGORE: Does any other member desire  
15 that any of these and the five I just called taken out of the block?  
16 All right. Do you have a motion to adopt those in the block?

17 MR. SPIERS: Yes, I make that motion, my  
18 recommendation from the Committee.

19 DELEGATE KILGORE: Do we have a second? All right.  
20 We have a second. Any further discussion? All those in favor,  
21 say aye. (Ayes). Opposed? (No response). All right, that  
22 passes. Those are approved.

23 2962. And you had your hearing in December in  
24 Roanoke, correct?

25 MR. SPIERS: That is correct, and we had quite a bit of

1 discussion there. Of course, one of the major points that had  
2 been brought out is the fact that we would be funding something  
3 that would compete with the existing market in closer proximity.  
4 We have in the past funded operations like this. This grant  
5 actually came before the Committee for over three years. Tim  
6 could give you some background. I think really the question  
7 came down to funding and operation that would compete with an  
8 existing market pretty close by. We had quite a bit of discussion  
9 about competition. There's been some information put forward  
10 that maybe not all competition is beneficial. Most of us would  
11 assume that the more opportunity you have to buy something or  
12 sell something would be beneficial, but possibly this might not  
13 be, in fact, what would occur if we were to fund this. If any of  
14 the Committee members would have a question.

15 MR. KILGORE: I know there are folks here to talk  
16 about it on both sides. Just briefly what we can do is hear from  
17 the proponents, the folks in favor of the grant. I thought I saw  
18 somebody here in favor of Grant Number 2962, Southwest  
19 Livestock Market Cooperative. All right, yes, please come  
20 forward and state your name.

21 MR. SUTTLE: Thank you, Mr. Chairman and members  
22 of the Commission for the opportunity to come here and speak.  
23 Let me shed a little light on the project before you now.

24 This project has been approved twice by the  
25 Agribusiness Committee. It was funded partially once by this

1 Commission. There were a number of questions asked and  
2 answered in previous sessions. This is a letter from Mr. Kenneth  
3 Russell, arrived the same time you got it, and I understand every  
4 member of the Commission has received it, as well as staff. In  
5 my opinion, since your staff recommended it and your Committee  
6 approved it twice, and you approved partial funding, then the  
7 questions that are positive and probably pertinent to the  
8 argument are largely spurious in nature. There are a lot of what  
9 ifs and that kind of thing, but in my opinion you have a choice  
10 whether or not to vote up or down on the project.

11 I'll offer this, if you want to table it until May, I will try  
12 to answer the questions that are voiced and posed in this letter  
13 and any other questions Commissioners may have. So I'll rest  
14 my case, and thank you very much for the opportunity to speak.

15 DELEGATE KILGORE: You would be fine if we just  
16 tabled it?

17 MR. SUTTLE: I would not be fine, but I'll tell you that  
18 in the interest of fairness, and I have a few last minute or late  
19 arriving arguments or anything like that, and I will attempt and  
20 we will attempt to answer the questions that are positive in Mr.  
21 Russell's letter on behalf of his clients and any questions that any  
22 Commissioner has, they'll make them known to us, we'll try to  
23 address those issues.

24 DELEGATE KILGORE: What I'm asking, Mr. Suttle,  
25 are you asking that if we vote up or down, it may go against you

1 today or may go for you, and I don't know that. If you're asking  
2 us to give you time to address that, that's a whole another, and  
3 table it, that's a different request.

4 MR. SUTTLE: I'm not making any formal request. It's  
5 the pleasure of the Commission how you want to treat this, and  
6 thank you for the opportunity.

7 DELEGATE KILGORE: Any further questions? I'll ask  
8 the Chairman of the Committee do you think that that would help  
9 you with your Committee if some of these questions were  
10 answered?

11 MR. SPIERS: In the Committee meetings, we  
12 discussed this grant at length, and one of the questions from a  
13 Committee member was to study it, but my question to them  
14 was what specifically would you want the staff to research to help  
15 make this decision? Again, there was quite a bit of discussion  
16 about whether this market was in some way different than the  
17 Abingdon market, and we did not have definitive answers to that  
18 question.

19 Again, all we had a quorum, there were Committee  
20 members that were more active in the livestock business that  
21 were not present that day and could not shed information. Mr.  
22 Suttle was there. One of the things that I see is the score card,  
23 and we talk about positive impact of our grants, but we don't  
24 normally talk about if there any other unintended consequences  
25 or negative factors. Unless someone brings them to our

1 attention, that is not typically something that we address.

2 DELEGATE KILGORE: I understand the opponent did  
3 not realize or they didn't realize you were taking that grant up in  
4 December. I don't want to put words in anybody's mouth, but do  
5 you believe that would have helped your committee make a  
6 determination if you had both the proponent and opponent  
7 there?

8 MR. SPIERS: Again, I would have to, Mr. Chairman,  
9 that we had a quorum and the people there discussed it and  
10 made the recommendation to bring it, but one of the points that  
11 was discussed again was the fact that this grant has been before  
12 the Agribusiness Committee for a number of years and has been  
13 brought to the Commission and there have been contingencies, if  
14 you will, placed upon the applicants and they have satisfied the  
15 contingencies each time they have been placed on the  
16 application.

17 Tim, am I missing any points?

18 MR. PFOHL: Unless we want to get way down in the  
19 weeds and ready to do that.

20 MR. SPIERS: Typically this would be done at the  
21 committee level, but other factors have come up since we met  
22 and want to be as transparent as we can on what has transpired.

23 DELEGATE KILGORE: Then let's hear from --

24 MR. SUTTLE: Mr. Chairman, if I might. With respect  
25 to the proximity distance between Hansonville and Abingdon, the

1 exchange function that's performed by livestock is increasingly  
2 not dependent on where you are. Our plans are to televise the  
3 sale, allow internet bidding, so a buyer can actually come from  
4 anywhere to buy these cattle, and that is currently not available  
5 to us.

6 With respect to the competition issue, that's an issue  
7 that's been before this Commission many times, especially in  
8 telecommunications and other large industries. I don't need to  
9 point out to you the benefits from completion, most of you  
10 understand that. Thank you.

11 DELEGATE KILGORE: Thank you. I think Mr. Ken  
12 Russell is the spokesman.

13 MR. RUSSELL: Mr. Chairman and Commission  
14 members, thank you for hearing us today, and we apologize for  
15 the late nature of this.

16 DELEGATE KILGORE: I think you sent out an email,  
17 too?

18 MR. RUSSELL: We sent an email on the 8<sup>th</sup> to each  
19 member of the Commission, and we apologize for us not being at  
20 the Committee meeting in December. I'm here on behalf of  
21 three small business owners with livestock in Abingdon, livestock  
22 in Bluefield, and livestock in Tazewell.

23 We have two issues with the project, and the first one  
24 is it is a competing business. There's a fair limited number of  
25 livestock and that fluctuates, and there's a fair limited number of

1 buyers for livestock. Livestock houses themselves don't buy the  
2 livestock. We also have not just on premises purchasing, we  
3 have teller purchasing available at our livestock facility. The real  
4 issue is that a few years ago, our client ran somewhere around  
5 \$120,000 of cattle through the Abingdon facilities. We're at  
6 36,000 in 2013, so the competition or the market is shrinking,  
7 and adding a competitor, and that'll be a tax-free competitor,  
8 and adding a competitor that will receive its capital, not in the  
9 open market makes it incredibly difficult for our client to  
10 compete. We would like for the request to be denied now, but  
11 would be happy to come to the Committee to speak to them at  
12 that point.

13           Secondly, we have some questions about the  
14 structure of the organization and who will actually benefit from  
15 the grant that we think the Commission should consider.

16           Those are our two major points, but if you'd like to  
17 hear from the owners of the business, they're here with us today,  
18 and if you'd like to hear their thoughts, they'd be glad to address  
19 that and answer any questions.

20           DELEGATE KILGORE: Any Commissioner have any  
21 questions?

22           MR. CANNON: Mr. Chairman, I think I'm probably a  
23 very successful entrepreneur and I know what competition does  
24 and I know what the numbers do in the population base in areas.  
25 Competing businesses all need to be on the same basis, except

1 from what I understand here, this is a private business and the  
2 existing business is private, but the existing businesses didn't get  
3 grants to help them out, so --

4 MR. RUSSELL: Yes, sir, that is correct. These are all  
5 privately owned businesses. Our owners don't have any problem  
6 with someone starting a farmer's cooperative to do this. My  
7 father was a member of a Farmer's Cooperative, and they're  
8 sanctioned by Congress, and those are just fine. But we've got  
9 sort of a double whammy that we're going to face here.

10 DELEGATE KILGORE: I think Tim wants to say  
11 something.

12 MR. PFOHL: Just to clarify, and I'm not sure if I  
13 interpreted your comment correctly, but the applicant, Southwest  
14 Livestock Cooperative, is an IRS-designated 521 farmer  
15 cooperative. That IRS designation is what made them eligible as  
16 an applicant. That's one of the reasons we held up earlier for the  
17 grant, waiting for that IRS designation.

18 MR. CANNON: What does that designation stand for,  
19 is that nonprofit?

20 MR. PFOHL: It's a federally recognized Farmer's  
21 Cooperative. As you heard, they are common in preferred  
22 stockowners in this and beyond that, I don't know how much  
23 more I can tell you about how they operate.

24 MR. CANNON: I personally have been in the same  
25 situation. It seemed like a great idea coming through fruition,

1 and then all of a sudden, someone else says that's a great idea, I  
2 think I'm going to do it, and they find out some easy money to  
3 get some funding, it's just not fair competition. That's all I can  
4 say.

5 MR. SPIERS: Mr. Chairman, I would comment that  
6 the tax exempt status and the question that came up is what  
7 would happen if they no longer had the tax exempt status and  
8 Mr. Russell's letter did bring some question in that area  
9 concerning how it might operate? That information might be  
10 very helpful in deciding which way to go on this, if it could be  
11 obtained. Whether we do place contingencies on grantors and  
12 whether we would be prudent to ask for a tax letter and whether  
13 that would be fair or not, I do not know.

14 DELEGATE KILGORE: Thank you.

15 MR. RUSSELL: I would say as far as the tax exempt,  
16 if you have a few more minutes, Mr. Chairman, I'll be very brief.

17 What we have now is that the Internal Revenue  
18 Service has blessed a group of documents. They have not  
19 blessed how we operate. We don't have all of their documents,  
20 but it appears that we've gotten a favorable determination letter  
21 on the 521 status, but that just says your papers look all right.

22 MR. SPIERS: The only thing I can say the Committee  
23 recommends approval of Grant Number 2962, and it's now up to  
24 the pleasure of the Commission.

25 DELEGATE KILGORE: I'm asking after you heard

1 these comments, you want it back to your Committee to answer  
2 some of these questions and listen to some of the arguments?

3 MR. SPIERS: Typically, we do not do Committee  
4 business at the Commission level, so if we need to do some more  
5 work. It's my understanding and my duty that our Committee  
6 recommends approval.

7 DELEGATE KILGORE: All right. Thank you. Delegate  
8 Marshall.

9 DELEGATE MARSHALL: I make a motion that we table  
10 this application and send it back to the Committee for further  
11 review.

12 DELEGATE KILGORE: All right, we have a motion and  
13 a second. Any discussion on tabling it and sending it back to the  
14 Committee? All those in favor, say aye. (Ayes). Opposed? (No  
15 response). Thank you all.

16 MS. SPIERS: At this time, I would also recommend,  
17 or the Committee also recommended an extension of time and  
18 other grant modifications, as shown on pages 21 and 23.

19 DELEGATE KILGORE: Those recommendations on 21  
20 and 23. Do I have a motion? There's a one-year extension  
21 recommended on 1907, Scott Farmer's Cooperative. Committee  
22 recommends a one-year extension to reimburse no more than 90  
23 percent of the construction costs, contingent on full  
24 documentation of the previously issued advance, and  
25 construction financing being secured and the facility under

1 construction no later than September 1, 2015. Is that right?

2 MR. SPIERS: Yes, sir.

3 DELEGATE KILGORE: And the others are in your  
4 packet on 21 and 22, that involves an extension of 2260 and  
5 2261 and 2799 and 2795. Is that correct?

6 MR. SPIERS: That is correct. And I make that  
7 motion.

8 MR. PFOHL: Just for clarity, Mr. Chairman. Grant  
9 Number 2799 at the bottom of page 22.

10 DELEGATE KILGORE: When is Agribusiness going to  
11 meet again?

12 MR. SPIERS: We haven't scheduled another meeting,  
13 and we'd have to coordinate that through staff.

14 DELEGATE KILGORE: I'd just say watch the website  
15 and see when that comes back up.

16 MR. PFOHL: Mr. Chairman, we will contact those  
17 parties.

18 DELEGATE KILGORE: Go ahead.

19 MR. PFOHL: Point of clarification on Motion 2799, the  
20 Charlotte County, that would be for Agribusiness more than a  
21 year ago, and that project is no longer active in Charlotte  
22 County, and it's now recommended for funding in both  
23 Agribusiness and Southside in Prince Edward County. The  
24 motion on the Committee recommendation is to rescind Grant  
25 Number 2799 in the amount of \$438,500 and return that to the

1 Agribusiness Committee. The others are extensions and  
2 authorization for reimbursement as stated on pages 21 through  
3 23.

4 MR. SPIERS: Tim, on the Committee level, you  
5 mentioned you might inform them that about plans to rescind.  
6 Did you hear anything from them?

7 MR. PFOHL: No response.

8 DELEGATE KILGORE: You've heard the motion and I  
9 have a second. All those in favor, say aye, all those in favor of  
10 those extensions and the rescission and reimbursement of grant  
11 funds, say aye. (Ayes). Opposed? (No response).

12 MR. SPIERS: Thank you for your indulgence, and that  
13 completes my report.

14 DELEGATE KILGORE: Chairman Byron.

15 DELEGATE BYRON: I direct you to page 24, but  
16 there's really nothing there. The R&D Committee met yesterday  
17 and reviewed 13 requests that came before our Committee. We  
18 directed that six of those to go to vetting. The Committee also  
19 directed staff and counsel to explore alternatives or changes to  
20 our vetting process going forward. And that completes my report  
21 for Research and Development.

22 DELEGATE KILGORE: Thank you. No action. Thank  
23 you.

24 All right, Delegate Wright.

25 DELEGATE WRIGHT: I draw your attention to page

1 25. The Southside Economic Development Committee met on  
2 December 17<sup>th</sup> and we had six grants, a total of \$2,470,877  
3 approved by the Committee, and I make that motion in a block.

4 DELEGATE KILGORE: You're making that motion in a  
5 block?

6 DELEGATE WRIGHT: Yes, sir.

7 DELEGATE KILGORE: I have a motion and a second  
8 for Grant Number 2975, Brunswick County; 2969, Franklin  
9 County; 2974, Greensville County; 2968, Mecklenburg County;  
10 2970, Pittsylvania, and 2972, Prince Edward. Any number that  
11 needs any of these taken out of the block? Are you prepared to  
12 vote? We have a motion and a second. All those in favor, say  
13 aye. (Ayes). Opposed? (No response). That motion carries.

14 DELEGATE WRIGHT: Mr. Chairman, I draw your  
15 attention also to page 32. We have three grants that the  
16 Committee recommended an extension of time for 2192, 2198,  
17 and 1724. I make a motion that we approve the Committee  
18 recommendations.

19 MR. OWENS: Second.

20 DELEGATE KILGORE: We have a motion and a second  
21 for these extensions. Any member of the Commission want any  
22 of those taken out of the block? All those in favor, say aye.  
23 (Ayes). Opposed? (No response). All right, thank you. Thank  
24 you, Delegate Wright.

25 Dr. Redwine, Southwest Economic Development.

1 DR. REDWINE: Thank you, Mr. Chairman. And I  
2 direct your attention to page 34 in your book, or I should say I  
3 direct your attention to the entire book, which encompasses my  
4 Committee's work over the last five years. I appreciate the  
5 opportunity to be here, and the Southwest Economic  
6 Development Committee met yesterday and heard business on  
7 several items. After completing our meeting, the Committee  
8 heard the discussion from the previously named King School of  
9 Medicine, which is now collaborative Allied Health Alliance. The  
10 Committee recommends that the unused portion of Grant 2958  
11 to King College and its successors and assigns be rescinded.  
12 That was the action of the Committee yesterday, and I make a  
13 motion for the effect.

14 DELEGATE MARSHALL: Second.

15 DELEGATE KILGORE: There was a lot of discussion  
16 about that and about that whole project. We've gone back and  
17 forth on this for the last five years on how to help this project  
18 move forward. I think the consensus yesterday was that while  
19 some of us may want to move forward, we've got to go back and  
20 go through the process and with the re-application and special  
21 projects to the health care area there and work it through the  
22 process that way. I think we all recognize the tremendous  
23 amount of work and a tremendous amount of folks that come  
24 together on this project, and I actually commend you all for the  
25 amount of work that you went through in bringing this together.

1 I think the Committee yesterday after a lot of  
2 discussion, I should say long discussion, decided it's best to come  
3 back and do this process, and I hope I've got that exactly right  
4 from what everybody said yesterday. I don't think this should be  
5 considered a defeat for this project, just an opportunity to start  
6 afresh and come back in front of the Committee and with the  
7 goals and the right partners and everything.

8 DR. REDWINE: That's correct, that's the consensus  
9 after the discussion yesterday. It's my understanding as far as  
10 procedure the Committee doesn't have the authority to rescind,  
11 we just recommend, so I need to make a motion to rescind today  
12 so they can move in a different avenue, so I make that motion  
13 today.

14 DELEGATE KILGORE: A motion has been made and  
15 seconded. I'll just say that I voted no on this before. I'm going  
16 to vote yes today just so we can get the process moving back in  
17 a positive direction and no use in prolonging this. We've just got  
18 to get the parties back to the table and moving in a right  
19 direction. Don't construe my yes vote as not supportive of the  
20 project.

21 All those in favor, say aye. (Ayes). Opposed?

22 SENATOR CARRICO: No.

23 DELEGATE KILGORE: Anyone else? All right.

24 DR. REDWINE: We heard from three different  
25 applicants that have been before the Committee before and have

1 been on the table waiting on an approved application of funds to  
2 become available. I'll read all three, and if we need to pull one  
3 out, we'll do them.

4 We heard from 2917, Virginia Highlands Airport for a  
5 construction of the extension of the runway. That  
6 recommendation yesterday for the Committee was \$300,000.

7 We also heard from 2906, which is Lincoln Memorial  
8 University for the construction of a small animal clinical facility in  
9 Lee County. That's to complement the work they've already  
10 done and money from the Commission prior in their large animal  
11 facility. So this is for small animal clinical facility in the amount  
12 of \$1 million.

13 The third was from Economic Development, Scott  
14 County, for the riverfront property development. This is another  
15 continuation for the access road for construction at the site there  
16 in Scott County. The number is 2730, and the amount was  
17 \$304,000.

18 So, if there's no objection, I make a motion we  
19 approve those in a block.

20 DELEGATE KILGORE: Can we take the ones for Scott  
21 County out of the block? Some paper claims that I have a  
22 conflict in that. Maybe I need to get the Attorney General's  
23 opinion before I vote, so I'll abstain on that one even though  
24 when I read it this morning up on the screen, it didn't apply, but  
25 I just want to make sure, so I'd like to pull that last one out of

1 the block.

2 DR. REDWINE: All right, we'll pull it out. We're voting  
3 on 2917 for \$300,000; 2906, for \$1 million. And I'd make that  
4 motion.

5 SENATOR SMITH: Second.

6 DELEGATE KILGORE: All those in favor, say aye.  
7 (Ayes). Opposed? (No response). All right. That passes.

8 DR. REDWINE: The third one is Scott County  
9 Economic Development for access road to riverfront property,  
10 \$304,000, and the number is 2730. And I'd make that motion.

11 DELEGATE KILGORE: All right. We have a motion  
12 and a second. All those in favor, say aye. (Ayes) Opposed?  
13 (No response).

14 DELEGATE KILGORE: Abstained.  
15 Delegate Marshall.

16 DELEGATE MARSHALL: TROF Committee on page  
17 193. We met yesterday morning and had a couple of  
18 recommendations. The TROF Committee recommends approval  
19 of Grant Number 2999, \$385,000, Grayson County, for the  
20 benefit of an unannounced business expansion, as described on  
21 page 194. This is the fourth TROF grant made to Grayson  
22 County. That's why it's before you, and I so move.

23 MR. OWENS: Second.

24 DELEGATE KILGORE: We have a motion and a  
25 second. And the other reason it's before the TROF Committee is

1 that it would have been approved automatically in the process we  
2 have, but this is the fourth time, which is a good thing, four  
3 different industries with TROF funds in Grayson County.

4 All those in favor, say aye. (Ayes). Opposed? (No  
5 response).

6 DELEGATE MARSHALL: Mr. Chairman, the Committee  
7 recommends extension of Grant Number 1540, which is on page  
8 196, as amended from June 30, 2014, December 31, 2015, and I  
9 so move.

10 SECRETARY JONES: Second.

11 DELEGATE KILGORE: Any discussion on that? All  
12 those in favor, say aye. (Ayes). Opposed? (No response).

13 DELEGATE MARSHALL: That concludes my report.

14 DELEGATE KILGORE: Senator Ruff.

15 SENATOR RUFF: Thank you, Mr. Chairman. The  
16 Executive Committee met yesterday afternoon, and there were  
17 four actions taken. The first is that the Committee recommends  
18 a budget transfer of \$333,706 for technology; \$449,393  
19 reserved, both of those going to General Account to clear out the  
20 obligated balances with those funds, and I so move.

21 DELEGATE MARSHALL: Second.

22 DELEGATE KILGORE: Any discussion on that, those to  
23 clear out some accounts. All those in favor, say aye (Ayes).  
24 Opposed? (No response).

25 SENATOR RUFF: Mr. Chairman, next is the Committee

1 recommends a budget transfer of \$2 million to the General  
2 Account from Southwest Economic Development, a like amount  
3 would be awarded to Lincoln Memorial University in Application  
4 2906, in addition to the \$1 million already awarded to the  
5 Southwest Committee today.

6 DELEGATE KILGORE: That's for the small animal  
7 facility under Grant Number 2906.

8 SENATOR RUFF: That's correct, and I so move.

9 DELEGATE MARSHALL: Second.

10 DELEGATE KILGORE: I have a motion and a second.  
11 All those in favor of a budget transfer of \$2 million, say aye.  
12 (Ayes). Opposed? (No response).

13 SENATOR RUFF: Mr. Chairman, next, the Committee  
14 recommended certain assets acquired by Buggs Island Telephone  
15 Cooperative, Grant Number 1952, be donated to the Georgia  
16 Tech Research Institute, Virginia Tech, and the U.S. Agency for  
17 International Development or any other governmental nonprofit  
18 entity as their interest may appear, provided that the NCIA acts  
19 accordingly. This was brought about by the fact that Buggs  
20 Island was essentially forced to buy equipment that was not the  
21 proper equipment by the Rules of the Federal Grant they  
22 received. The equipment proved to be in conflict with  
23 surrounding equipment from companies like AT&T and Verizon.  
24 So moved.

25 DELEGATE WRIGHT: Second.

1 DELEGATE KILGORE: Any more discussion? All those  
2 in favor, say aye. (Ayes). Opposed? (No response).

3 SENATOR RUFF: Mr. Chairman, the Committee  
4 recommends that the unearned portion, Grant 1958, the Alliance  
5 for Rural Health, formerly Southwest Virginia School of Medicine,  
6 King School of Medicine, and King College transferred to the  
7 Commission's General Account. And I so move.

8 DELEGATE KILGORE: We've got a motion and a  
9 second. We talked about that earlier. All those in favor, say  
10 aye. (Ayes). Opposed?

11 SENATOR CARRICO: No.

12 DR. PILLION: No.

13 SENATOR RUFF: That completes the actions of the  
14 Executive Committee.

15 DELEGATE BYRON: Mr. Chair, would this be the time  
16 to address the Chair about something? I would like to suggest  
17 that you consider and even though it's the Chair's prerogative, us  
18 relooking at a Technology Committee again to partner with MBC  
19 and some of the other things we've done to relook at some of the  
20 initiatives that were successful. This is the region in last mile.  
21 We've had some very innovative pilot projects that we  
22 coordinated and were very successful, Mr. Chairman. I would  
23 like to --

24 DELEGATE KILGORE: I'm trying to figure out how to  
25 do this.

1 DELEGATE BYRON: That we could consider relooking  
2 at our having special project, relook at that by one of the  
3 committees.

4 DELEGATE KILGORE: Maybe, so we don't have to get  
5 into a committee situation and have to budget for that committee  
6 and everything. Maybe just appoint an ad hoc committee to  
7 have those meetings and find out where we are and what we  
8 need to do in technology. So anybody that would like to serve  
9 ad hoc committee, let me or Tim know, and we'll try to get a  
10 committee of seven or eight of you together and try to go down  
11 that road.

12 MR. PFOHL: If I could add a point that for information  
13 purposes and to some of the Commissioners that haven't been  
14 here for the past decade, we did have a technology program that  
15 was created in 2003 and taken out of operation several years  
16 later. It was primarily funding broadband backbone across the  
17 Tobacco Region. When that task was largely completed, we  
18 retired that committee and retired that program. At that point,  
19 the Executive Committee directed under this strategic plan of the  
20 Commission, adopted this strategic plan and said that technology  
21 projects, including broadband infrastructure would be eligible  
22 under the Economic Development Program.

23 Currently, any project of that nature would be  
24 submitted to the two Economic Development Committees. We  
25 have not been receiving requests, we have been promoting that

1 that is an eligible request and we have not received requests.  
2 Certainly, we'll take a look at, I know expansion of the last mile  
3 is an interest of Secretary Jones and others, so we can certainly  
4 look at that, take a look at those interests and see how we can  
5 become more active on that front once again.

6 DELEGATE BYRON: Thank you. Mr. Chairman, if I  
7 could add to that, I think this will put a larger focus on it again to  
8 the general public in looking for creative ways that we can  
9 address that. MBC has certainly grown in what their capabilities  
10 are in being able to maybe assist and other means that we can  
11 use in some of the smaller ISPs that can get some projects done,  
12 and technology continues to be a major role player in education  
13 and we're hearing more and more about it in our districts, too.

14 DELEGATE WRIGHT: Mr. Chairman, I'd like to add my  
15 support on what Delegate Byron said, and I served on the old  
16 Technology Committee years and years ago, and there's certainly  
17 work left to be done. I'd be pleased to serve on the ad hoc  
18 committee.

19 DELEGATE KILGORE: Hopefully between now and  
20 May, maybe you all can get together, whoever wants to serve on  
21 that ad hoc committee and start that and make a report on the  
22 committee's progress. It might be good to have someone from  
23 Southside and Southwest because each area would have different  
24 needs and better to make sure we have people from both areas  
25 on that.

1 DELEGATE MARSHALL: Mr. Chairman, somewhat  
2 along those lines and technology, but broadband in rural Virginia,  
3 I'm having a bill drafted that when a pipeline, such as a Natural  
4 Gas pipeline from say Dominion, or it could be natural gas, that  
5 they would install a conduit for broadband so that broadband  
6 could be deployed by in rural areas, probably would not be  
7 touched in the future.

8 Mr. Secretary, I see you shaking your head there.

9 SECRETARY JONES: Opportunity there.

10 DELEGATE KILGORE: Very good. Any other  
11 discussion on that? Thank you, Delegate Byron, for bringing that  
12 to our attention.

13 Now, time for public comment. Anybody have a  
14 comment?

15 Our next meeting will be when?

16 MR. PFOHL: May 20<sup>th</sup> and 21<sup>st</sup>, and that'll be in  
17 Southside Virginia.

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20 **PROCEEDINGS CONCLUDED.**

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**CERTIFICATE OF THE COURT REPORTER**

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission, Full Commission Meeting**, when held on Tuesday, January 13, 2015, at 10:00 o'clock a.m., at the Crowne Plaza Hotel - Downtown, Richmond, Virginia.

I further certify this is a true and accurate transcript to the best of my ability to hear and understand the proceedings.  
Given under my hand this 23<sup>rd</sup> day of January, 2015.

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Medford W. Howard  
Registered Professional Reporter  
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2018.