

Regular Session, 2014

HOUSE CONCURRENT RESOLUTION NO. 209

BY REPRESENTATIVES EDWARDS, ARMES, COX, CROMER, AND GEYMANN

ECONOMIC DEVELOP/DEPT: Urges and requests the secretary of the Department of Economic Development to reevaluate a cooperative endeavor agreement with a Russian-based company

1 A CONCURRENT RESOLUTION

2 To urge and request the secretary of the Louisiana Department of Economic Development
3 to reevaluate the cooperative endeavor agreement with the Russian-based EuroChem.

4 WHEREAS, on July 10, 2013, Governor Bobby Jindal and EuroChem chief
5 executive officer Dmitry Strezhnev announced that EuroChem committed to build an
6 ammonia and urea production plant in Louisiana to manufacture and distribute fertilizer
7 products in the United States and other markets; and

8 WHEREAS, to secure the project, the state offered this Russian-based company an
9 incentive package that includes a six million dollar performance based grant to offset the
10 costs of site infrastructure improvements; and

11 WHEREAS, in addition, EuroChem is poised to receive the benefit of the
12 Department of Economic Development's FastStart workforce training programs and is
13 expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs, all of
14 which are funded with tax dollars; and

15 WHEREAS, since the announcement of the six million dollar incentive grant to a
16 Russian-based company, relations between the United States and Russia have become tense
17 due to events in Ukraine; and

18 WHEREAS, the first three months of 2014 brought a sweeping chain of events to
19 the world political stage: the Ukraine's parliament voted to oust President Viktor
20 Yanukovich, Russian President Vladimir Putin sent troops into Crimea, located in southern

1 Ukraine, and a majority of Crimeans voted to secede from Ukraine and join Russia, an
2 election that the United States does not recognize as legal; and

3 WHEREAS, following these events, Russian President Putin signed a law which
4 annexed Crimea as a part of Russia, an action that the United States views as an illegal land
5 grab; and

6 WHEREAS, in late March 2014, the United States targeted sanctions against persons
7 close to Russian President Vladimir Putin over the Ukraine crisis and threatened broad
8 penalties against key sectors of Russia's economy if the country moved deeper into the
9 sovereign nation of Ukraine; and

10 WHEREAS, in retaliation, Russia issued its own sanctions against a number of
11 individuals in the executive and legislative branches of the United States government,
12 including the chair of the United States Senate Committee on Energy and Natural Resources;
13 and

14 WHEREAS, the United States Department of the Treasury has cautioned Americans
15 against conducting transactions with Russian firms that may be controlled by an individual
16 who may have sanctions imposed upon him, even if that person does not own a majority
17 stake; and

18 WHEREAS, Gazprom, the giant energy company which is majority owned by the
19 Russian state, threatened to reduce deliveries of natural gas to Ukraine, a move that if taken
20 could threaten the delivery of natural gas to a number of our European allies; and

21 WHEREAS, all this at a time when EuroChem, a company that receives funding
22 from Russian state banks, will gain access to our state's much less expensive resources,
23 including natural gas that runs through Louisiana pipelines; and

24 WHEREAS, in the short amount of time between the announcement of the
25 EuroChem project and today, the world stage has changed dramatically and what once
26 appeared to be an informed, sound investment for the state may end up as a complete loss
27 given current relations between the United States and Russia; and

28 WHEREAS, even after EuroChem's purchase of two thousand one hundred and fifty
29 acres of land from the state, it was announced that the company has not yet selected a final
30 location for the proposed plant; and

1 WHEREAS, at a time when Russia and the United States are at odds over Russia's
2 position in the Ukraine, the EuroChem project may not result in a positive return on state tax
3 dollars, and may in fact result in a complete loss at a time when our state needs far
4 outnumber our state dollars; and

5 WHEREAS, it would be prudent to reevaluate the EuroChem project given the
6 company's home base is in Russia and the uncertainties surrounding the project.

7 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
8 urge and request that the secretary of the Department of Economic Development reevaluate
9 and explore rescinding the cooperative endeavor agreement with the Russian-based company
10 EuroChem.

11 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
12 secretary of the Department of Economic Development.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Edwards

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