

**Good morning and thanks so much for inviting me to join you here today. I want to start by extending my sympathies to everyone here who has been affected by the epic hurricanes of the past few weeks. Houston got most of the national headlines and bore the brunt of the damage from Harvey, but I know communities in Louisiana were struck as well. And you were certainly keeping a close eye on Irma as it tracked across Florida. After Katrina, the people of Louisiana know better than just**

**about anyone the devastation that a hurricane's wind and water can inflict. And last year's horrific flooding in the Baton Rouge area was not even caused by a hurricane, but the damage was so severe, many businesses and residents in that region are still recovering.**

**Likewise, the Gulf Coast and Florida likely face YEARS of recovery from Harvey and Irma.**

**The U.S. Small Business Administration is working very closely with FEMA and other federal agencies, as well as with our partners at the state and local levels, to help make that recovery happen as expeditiously as possible. The SBA provides low-interest loans to businesses of all sizes as well as nonprofits, homeowners and renters. This helps people take care of uninsured losses so they can get their lives back on track.**

**Disaster response is the only time the SBA gets involved in home mortgages. It's also the only time the SBA makes direct loans to**

**businesses – they can get low-interest loans of up to \$2 million to pay for lost inventory, machinery, equipment, property repairs and even working capital.**

**Since the epic flooding in Louisiana just over a year ago, the SBA has made more than \$1.2 billion in disaster assistance loans to help nearly 16,000 residents and more than 1,600 businesses recover. The SBA is already processing loan applications for those affected by Harvey and Irma.**

**During disasters like these, there's a clear opportunity for the SBA to partner with state chambers like LABI. I encourage you to spread the word to the businesses you represent about the services and resources available to them through the SBA. You have a trusted and enduring relationship with small business owners in Louisiana, and they look to you for help on how to rebuild their companies and their lives. For damage related to Hurricane Harvey, you can find information online all in one place at [sba.gov/Disaster](http://sba.gov/Disaster). The SBA has a**

**tremendous team on the ground – people trained in helping storm victims apply for loans and navigate the process. In addition, I imagine many of the people you represent have skills we need to assist in the recovery – including lawyers, IT specialists, loan processors and mortgage underwriters. Information about those jobs and how to apply can be accessed from [SBA.gov/Disaster](https://www.sba.gov/disaster) as well.**

**Storm victims want to get back into their homes and get their businesses back up**

**and running. They want to get back to normal, even if normal takes on a new meaning. As you well know, small businesses are the backbone of our communities, and getting them operating again will be key to economic recovery.**

**Disaster recovery is just one area in which we at the SBA partner with agencies at the federal, state and local levels. As members of LABI, you have your fingers on the pulse of an important community. You know what your members are concerned about. And I**

**imagine you are hearing a lot of the same concerns in Louisiana that I'm hearing from small business owners across the country.**

**As head of the SBA, I'm proud to advocate on behalf of America's 30 million small businesses. I've made it a priority to meet with entrepreneurs face to face – and on their turf – to best understand the challenges they face. I have visited offices, factories, retail spaces and restaurants; from Anchorage, Alaska to San Juan, Puerto Rico and lots of places in between. We call**



**this the “SBA Ignite Tour” because I truly believe they spark bright ideas... and our goal is to turn that energy into action.**

**In addition, the SBA’s Office of Advocacy has held seven regional roundtables of its own – and the first two were held in Louisiana. More are planned for other parts of the country as well. The purpose is to hear directly from job creators about what specific federal regulations are hindering their business. Let me give you an example of one we heard in Louisiana. A small**

**vocational school in Shreveport that provides training for jobs in such in-demand fields as HVAC, allied health and technology had to spend nearly \$100,000 on software just to handle the federal government's paperwork requirements. That's \$100,000 it could not devote to educating its students.**

**Regulatory reform is just one element of President Trump's pro-growth agenda. He is also making tax reform a priority – a goal I know that LABI and other many business**

**advocacy organizations share. As I meet with entrepreneurs, I hear over and over again that they want tax reform. They want their taxes to be lower and less complicated. And they want to know what they can expect – when they can't plan ahead for their taxes, they can't make investments in their future. The uncertainty leaves them unwilling to hire new employees or invest in new equipment or expand their operations.**

**Let's face it. The current tax structure is a massive burden. The tax code is 2,600**

**pages with more than 70,000 forms,  
instructions, and other pieces of guidance.  
The U.S. Chamber of Commerce Foundation  
found the total cost of complying with all  
that is about \$100 billion – with small  
businesses bearing almost two-thirds of  
that cost. And most small business owners  
don't have accounting expertise of their  
own, so they're paying CPAs and attorneys  
hundreds of dollars an hour to help them.  
That's money they could be investing back  
into their businesses, hiring more workers  
or expanding into new markets.**

**Here's another challenge: 96% of America's small businesses pay taxes as individuals because they are structured as "pass-through" organizations – sole proprietorships, LLCs or Subchapter-S Corporations. Under this structure, business income flows through to the business owners' personal income tax return at year-end. That means that if a business has a good year, the owners are taxed on those profits as if it's income – regardless of the fact that they may need to**

**set aside some of that cash to finance expenses for the next year, which may have a slow start. This creates a cash flow problem. These pass-through businesses face a top marginal rate of 39.6 percent – even higher than the 35 percent rate faced by larger businesses structured as C-corporations. For many “pass-through” business owners, their combined federal and state marginal rates can be close to 45 percent.**

**Let me give you an example of how this plays out. During a roundtable discussion I held with about a dozen small businesses during an Ignite Tour stop in Pittsburgh, I heard from the owner of a mechanical services company who called tax reform the single most critical piece of legislation that needs to occur under President Trump. She said the current tax code is far too complicated and punitive to small businesses, and it's flat-out unfair – as a small business, her effective tax rate was much higher than multinational firms that**

**can use loopholes to park their profits overseas. And that's crippling her business. So instead, she feels forced to engage in a complicated and time-intensive strategy of seeking deductions she CAN take advantage of under the current tax code. She believes that if the tax rate were lower, she'd be able to focus on running her actual business... and projects she would DOUBLE her growth over the next five years. And growing her business would mean she could hire more workers.**



**That's why President Trump has made tax reform a top priority this fall – it would both grow the economy and help our small businesses create jobs. And it's the key to achieving other policy priorities that depend on a vibrant economy. He projects our economy to return to a growth rate of more than 3 percent a year. Over the past decade, our economy has hardly topped 2 percent. Over the next ten years, a growth of 3 percent instead of 2 percent would be projected to add \$16 trillion to our nominal GDP, increase the federal government's**

**revenues by \$2.9 trillion, and provide American workers with another \$7 trillion in wages and salaries.**

**I thank you for being here today because I think state Chambers like LABI can play an important role as partners to what we in the federal government are doing. One of my goals as head of the SBA to make sure more people know about the resources available to them... and not just during disasters. It often seems that the SBA is Washington's best-kept secret! And I admit, when my**

**husband and I were starting and building our own business, we didn't know about the SBA. And I think how much easier our path would have been if we had taken advantage of some of the resources available to us. Even people who are aware of the SBA may only associate it with loans. We want more people to know about the counseling available through our 68 district offices – including one in New Orleans – and our resource partners like the Small Business Development Centers, Women's Business Centers and SCORE. We want them to know**

**how we can help them secure government contracts. And yes, we want them to know that when a disaster like Hurricane Harvey strikes, the SBA can help them get their homes and businesses on track to recovery.**

**It's an exciting time for entrepreneurship.**

**Business owners are feeling optimistic. The stock market is at an all-time high.**

**Unemployment is at a 16-year low.**

**Entrepreneurs are increasingly willing to take a risk on starting or growing their**

**businesses. As President Trump noted at an**

**event he hosted at the White House last month, “America is on the verge of a golden age for small business.” And the SBA, working with our lending partners, resource partners, and partners at the state and local levels, are working to help them succeed.**

**I appreciate your time this morning. I understand we have a few minutes for Q&A.**

## LIST OF PARTICIPANTS

Terry Baugh	D & J Construction Company, Inc.	West Monroe
Jason DeCuir	Ryan, Inc.	Baton Rouge
Eric Dexter	Civil Solutions Consulting Group	Baton Rouge
Maura Donahue	DonahueFavret Contractors, Inc.	Covington
Tommy Fauchaux	Dow Chemical Company	Plaquemine
Art Favre	Performance Contractors	Baton Rouge
Bill Fenstermaker	Fenstermaker and Associates	Lafayette
John Finan	Franciscan Missionaries of Our Lady Health System, Inc.	Baton Rouge
Felicia Frederick	Chevron Corporation	Covington
Tyson Hackenberg	APTIM	Baton Rouge
Ed Jimenez	Entergy Louisiana, LLC	Baton Rouge
John Jones	CenturyLink	Monroe
Mark Kleehammer	Entergy Louisiana, LLC	Baton Rouge
Jill Landry	LafargeHolcim USA	Addison, TX
Jude Melville	Business First Bank	Baton Rouge
Jody Montelaro	Entergy Louisiana, LLC	Baton Rouge
Tom O'Neal	O'Nealgas, Inc.	Choudrant
Fred Palmer	Shell Oil Company	New Orleans
Nial Patel	Cornerstone Government Affairs	Baton Rouge
Fred Preis	Breazeale, Sachse & Wilson LLP	New Orleans
Wynn Radford	BP America	Washington
Christel Slaughter	SSA Consultants, Inc.	Baton Rouge
Randy Spickard	APTIM	Knoxville, TN
Stephen Waguespack	President, LABI	Baton Rouge

## LABI STAFF ON THE FEDERAL OUTREACH TOUR

Renee Amar	Director, Small Business, Health Care; Deputy, Political Action Committee
Camille Conaway	Senior Vice President
John Diez	Director, Political Action Committee
Brigitte Nieland	Vice President, Program and Workforce Development Director, Education and Workforce Development
Claire Shirley	Executive Assistant to the President; Special Projects Manager

AN ADVOCACY SNAPSHOT:  
**LABI'S POSITIONS ON  
CURRENT FEDERAL ISSUES**

**1** *LABI supports NFIP reauthorization and ongoing federal support for Louisiana's long-term recovery from the 2016 historic flooding event.*

Louisiana suffered two massive floods in 2016 that resulted in 56 of the state's 64 parishes receiving a federal disaster declaration. In March 2016, 21,684 households flooded in north Louisiana after severe storms; in August, 91,628 households in south Louisiana flooded after a 1,000-year rainfall event. FEMA has distributed more than \$865 million to the combined two disasters, which also affected businesses – more than 6,000 in the Baton Rouge area alone.

- During the recovery process, a major concern of homeowners and business alike is the federal regulation that prohibits those who received SBA loans in the immediate aftermath from benefiting from federal Community Development Block Grants that only became available nearly one year later. **LABI urges HUD and SBA to waive these regulations**, rather than penalize those who leaned forward to begin their own recovery following the flooding event.
- Louisiana ranks #3 for **National Flood Insurance Program (NFIP)** policies with roughly 450,000 in place. As the Program is set to expire on September 30, 2017, **LABI urges Congress to reauthorize it with improvements**, such as an increased emphasis on mitigation, the adoption of new technologies for better mapping, and the prioritization of affordability to ensure more homeowners and businesses purchase coverage.
- **LABI also urges Congress to support flood mitigation projects** to ensure future catastrophic events can be avoided and to keep the costs of flood insurance at affordable rates.

**2** *LABI supports pro-growth tax reform.*

With the highest marginal corporate tax rate in the industrialized world and a 4-million-word tax code, American companies are at a distinct disadvantage in an ever-shrinking global economy. **LABI agrees with many of the principles of tax reform** recently articulated by Congressional leaders and the President: to lower business tax rates, especially small businesses; to encourage capital investment; and to incentivize American companies to bring jobs back home. Particularly as the Louisiana business tax code changes year-to-year, **LABI member companies need predictability and stability with a modern, globally competitive federal tax code.** **LABI urges Congress to enact comprehensive and permanent tax reform** that will benefit our economy for years to come.

**3** *LABI supports regulatory reform.*

One of the primary obstacles to growth identified by **LABI member companies** are ever-increasing governmental mandates—many at the federal level. **LABI supports efforts** by the new administration and Congress to review costly burdens imposed on job creators in recent years with little regard to the impact, particularly the mountain of **environmental regulations**, the US Department of Labor's overtime rule and the FCC's attempts to regulate the Internet. **LABI believes that federal regulations must be narrowly tailored and supported by strong and credible data**, and we supported efforts by this Congress to utilize the **Congressional Review Act** to roll back rules that don't meet these criteria. To address long-term concerns, the **bipartisan Regulatory Accountability Act** is now pending in the US Senate after passage in the House on a vote of 238-183. **LABI urges the Senate to take up this legislation and modernize the rulemaking process** to increase public participation, get rid of outdated and ineffective rules, and require agencies to choose the least costly option that still protects the public. **LABI also supports efforts for relief specifically for small businesses**, such as the **Small Business Regulatory Flexibility Improvements Act** pending in the House.

**4** *LABI supports smart de-regulation to spur manufacturing and energy.*

Weeks after taking office, President Trump signed an Energy Independence Executive Order to review and repeal excessive and unnecessary environmental rules promulgated under the prior administration, rolling back elements of the **Clean Power Plan**, reviewing the **Waters of the US** rule, and authorizing the **Keystone and Dakota Access Pipelines**. While both the **Clean Power Plan** and **Waters of the US** rule were previously stalled in federal court, **LABI supports the EPA's initial steps in the long process to reverse the regulations altogether.** **LABI remains concerned with the final EPA rule on National Ambient Air Quality Standards (NAAQS)**, which is defined by some as the costliest regulation ever issued by the federal government. In 2015, the EPA lowered the ozone standard from 75 parts per billion to 70 ppb, leaving at least 17 parishes out of compliance. **LABI urges the Senate to take up the House-passed Ozone Standards Implementation Act** to implement a reasonable schedule, prevent unnecessary nonattainment designations and cost burdens and streamline the permitting process. Furthermore, to maintain energy independence, **LABI supports the development of the federal five-year offshore oil and gas leasing program** and recommends it include new areas where there has been little to no activity and potentially reduced royalty rates on current and future leases.



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July 6, 2017

Administrator Linda McMahon  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street SW  
Washington, DC 20416

Dear Administrator McMahon:

I am writing today on behalf of the 2,200 member companies and 300,000 employees represented by the Louisiana Association of Business and Industry (LABI) based in Baton Rouge, Louisiana. Our members include small and large companies in a variety of industry sectors vital to the economy of Louisiana and the country.

First, let me congratulate you on your recent appointment. The Small Business Administration (SBA) is a critically important entity in Louisiana, particularly with regard to recent widespread flooding and the agency's role in small business recovery.

This fall, **LABI will embark on our fourth annual Federal Outreach Tour to Washington, DC.** Thirty members of the LABI board will meet with Members of Congress, senior staff in federal agencies, and our partners at the United States Chamber of Commerce and the National Association of Manufacturers. Our delegation includes executives from such companies as CB&I, Dow Chemical, Entergy and Shell as well as small and medium-size manufacturers, hospitals, and construction groups.

The downturn in the oil-and-gas economy, combined with poor state policy on taxation and litigation, have had a measurable negative impact on Louisiana's business climate in recent years with 25,000 jobs lost since 2014. The change in administrations in Washington has offered renewed optimism for Louisiana employers as harmful and unnecessary regulations begin to roll back.

**The LABI delegation respectfully requests to host you on Wednesday, September 13, for breakfast at 9am at the Trump Hotel.** We would appreciate the opportunity to share our on-the-ground experiences and challenges and learn more about the SBA's plans for the future from your perspective.

We look forward to hearing from you. Thank you for your contributions and leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen", with a stylized flourish at the end.

Stephen Waguespack  
President and CEO



**Sutherland, Terrence P.**

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**From:** Sutherland, Terrence P.  
**Sent:** Monday, October 02, 2017 2:10 PM  
**To:** Sutherland, Terrence P.  
**Subject:** Sent from Snipping Tool



**Linda McMahon** ✓ @SBALinda · Sep 13

Sharing goals with Louisiana business owners about #taxreform & how @SBAgov is working to help entrepreneurs succeed. @LABI\_biz #LABInDC



💬 22

🔖 51

❤️ 108

## Sutherland, Terrence P.

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**From:** Sutherland, Terrence P.  
**Sent:** Monday, October 02, 2017 2:11 PM  
**To:** Sutherland, Terrence P.  
**Subject:** Sent from Snipping Tool



**Linda McMahon** • @SBALinda · Sep 13

Louisiana has been affected by hurricanes & massive flooding in past year.  
Explaining to @LABI\_biz how @SBAgov helps with disaster recovery.



💬 2

📄 8

❤️ 22

## Sutherland, Terrence P.

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**From:** Sutherland, Terrence P.  
**Sent:** Monday, October 02, 2017 2:12 PM  
**To:** Sutherland, Terrence P.  
**Subject:** Sent from Snipping Tool



**Linda McMahon** • @SBALinda · Sep 13

Speaking to business owners from Louisiana about how resources from @SBAgov can help them grow. @LABI\_biz #LABInDC



4 16 38



Roma

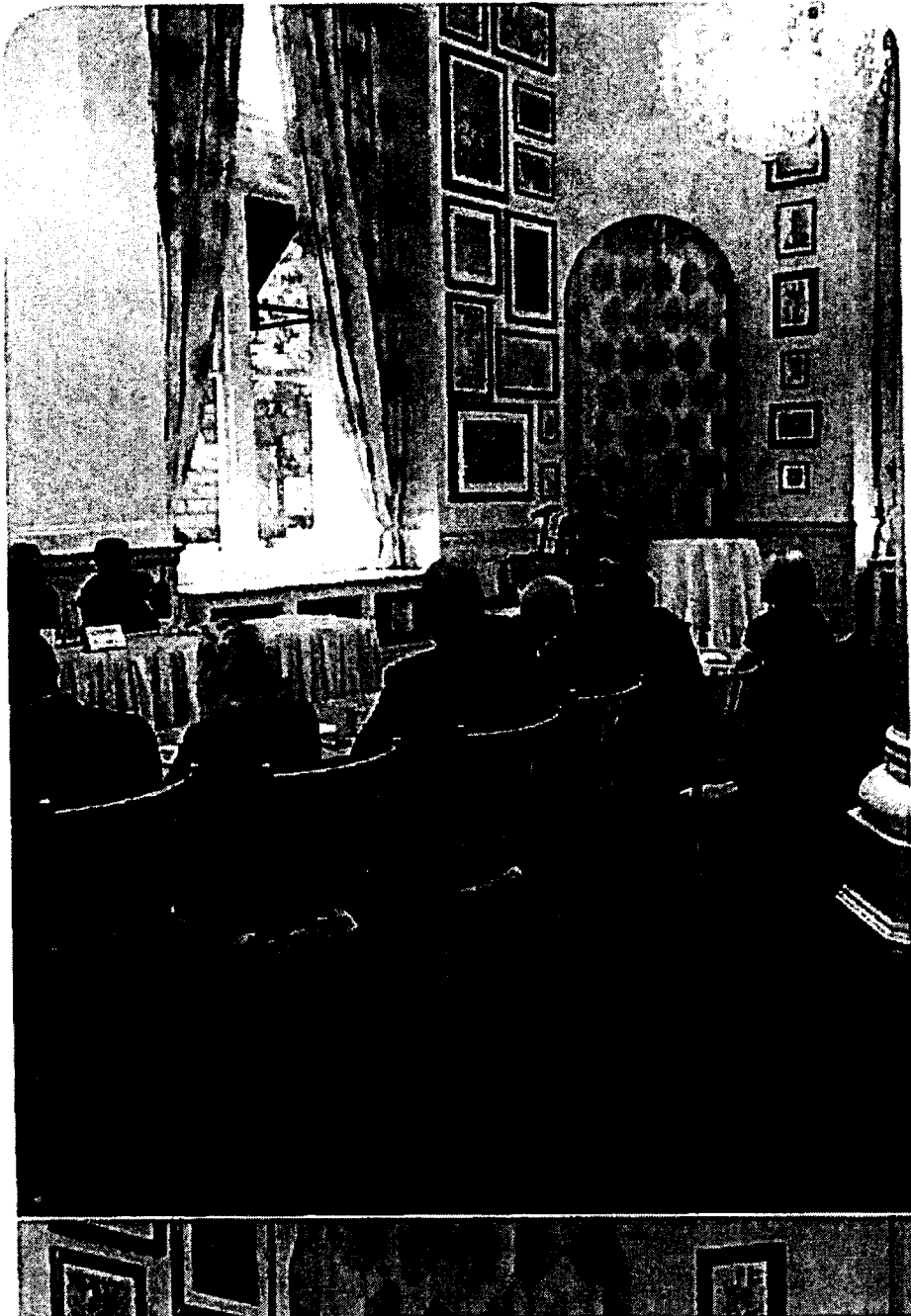


Allie



Wed, Sep 13, 9:31 AM

Allie Schroeder





Roma



Allie





Roma



Allie



LABI breakfast. Speaking about sba  
disaster assistance





Roma



Allie



LABI breakfast. Speaking about sba disaster assistance



Roma Daravi



Roma



Allie



Allie can you try to get the portrait mode one without the "Trump hotel" sign in it ?



Allie Schroeder

I know Trying to avoid it. Will try again



Roma Daravi

Lols



Allie Schroeder







Roma



Allie



Roma Daravi



Lols

Allie Schroeder



Verizon 3G

2:46 PM

100%



Roma



Allie



Roma Daravi



Lols

Allie Schroeder



I'll tweet with excerpts from  
speech... and crop the opulence  
out!

Roma Daravi



Thanks Kate



iMessage



on my iPhone



**U.S. Small Business Administration  
Washington, D.C. 20416**

**BRIEFING MEMO TO THE ADMINISTRATOR**

**LABI Breakfast**

<b>Briefing Prepared by:</b>	Holly Turner
<b>Event/Subject</b>	Louisiana Association of Business and Industry (LABI) Breakfast
<b>Event Date:</b>	Sept 13, 2017
<b>LEM Role:</b>	Speaker
<b>Event Time/Location:</b>	9:00am event start; 9:30am LEM remarks / Trump International Hotel
<b>Press:</b>	N/A
<b>Twitter Handle:</b>	N/A
<b>Staff Contact:</b>	Chris Pilkerton
<b>Event Contact:</b>	Claire Shirley 601-624-8874

**PURPOSE**

Breakfast keynote to business owners and members of Louisiana Association of Business and Industry (LABI). 30 board members will be in attendance.

**BACKGROUND**

Members are interested in hearing about your perspective on the SBA's response to the 2016 flooding in Louisiana and the pending reauthorization of the National Flood Insurance Program by Congress in September, What SBA is learning from its regional regulatory roundtables, including those in Louisiana, and what changes they might make as a result, and how state chambers like LABI can better partner with SBA – both following disasters and on an ongoing basis. There is a podium and microphone.

**AGENDA/ FORMAT**

N/A

**TALKING POINTS/SPEECH**

Prepared by OCPL

**ATTACHMENTS**

N/A



U.S. Small Business Administration  
Washington, D.C. 20416

**CLEARANCES**

*(Briefing memo should be cleared and submitted **at least 48 hours** in advance of event/meeting)*