

Washington, D.C. Visit

The annual State Chamber Washington visit was held May 9-11. Some 15 State Chamber members attended the three-day function, which included the weekly Nebraska Breakfast, our Congressional Luncheon, and briefings from the National Association of Manufacturers and the U.S. Chamber of Commerce. In addition, the State Chamber coordinated with the Lincoln Chamber of Commerce Fly-In, which included a reception at the Gallup Organization's World Headquarters, a White House Briefing, and a breakfast meeting with Secretary of Agriculture Mike Johanns.

On May 9, the group heard from Secretary Johanns at the U.S. Chamber breakfast. Later that morning, U.S. Chamber staffers briefed members on key legislation, including the energy bill and the long-delayed highway bill. That

afternoon, members went to the Old Executive Building for a timely presentation on the Administration's views on the economy and social security issues.

On May 10, the group heard from Fred Nichols of NAM on key federal issues affecting manufacturers and business in general, as well as the Manufacturing Institute regarding the Manufacturing Campaign. Later that day, Congressman Jeff Fortenberry and staff members, as well as Senators Ben Nelson and Chuck Hagel and staff members, joined the State Chamber, the Lincoln Chamber delegation, and a delegation from the Nebraska Independent Community Bankers Association for the annual Congressional Luncheon. The Nebraska congressional delegation gave excellent updates on current federal

issues. Over 65 people attended the luncheon. We also had the opportunity to make individual visits to the offices of Senator Hagel and Congressmen Fortenberry and Osborne.

At the Nebraska Breakfast, Senators Ben Nelson and Chuck Hagel, and Congressmen Lee Terry, Tom Osborne, and Jeff Fortenberry made brief remarks. Local chambers from Aurora, Bellevue, Columbus, Lincoln, and Scottsbluff/Gering attended the Washington visit. ■



Top: Senator Chuck Hagel addresses Congressional luncheon. **Middle, left to right:** Agriculture Secretary Mike Johanns at U.S. Chamber; Cong. Jeff Fortenberry at Congressional luncheon; Senator Ben Nelson at luncheon; Cong. Lee Terry and Megan Lucas at Nebraska breakfast. **Bottom, left to right:** State Chamber Chairman Gary Warren and Cong. Tom Osborne; Washington attendees outside Old Executive Building.



State Chamber Views...
Editorial by Barry Kennedy,
President,
Nebraska Chamber of Commerce & Industry

"A Rising Tide Raises All Ships"

It has been said many times that a rising tide raises all ships. I believe this aphorism also describes what an effective economic development package can also do for Nebraskans. When the economy in one area of Nebraska grows and prospers, it has a positive effect on all of Nebraska.

The greatest challenge in formulating an economic development package is trying to assure that all communities, in all parts of the state, have an opportunity to participate in such development. I believe that the package that has been formulated by the Legislature's Revenue Committee will come as close as possible to achieving that challenge.

Does this mean that all communities and all counties may experience immediate growth? Not necessarily, for many variables are involved. Local leadership and a community's desire to utilize the available tools are always key factors. There are, however, some excellent examples in areas of rural Nebraska where strong and sustained growth has been achieved due to the determination of private and public leaders to make it happen!

As the State Chamber for all of Nebraska, we are always concerned about economic growth and opportunity throughout the state. So let's focus on recently passed legislation and how that legislation does, in fact, promise opportunity for the entire state.

One of the most important elements is, without question, the sales tax exemption on manufacturing equipment and machinery. Nebraska was one of a few states that still applied the sales tax to these pur-

chases. Most of our neighboring states do not, which created a real competitive disadvantage to our manufacturers when they bid on projects.

At first blush, you might conclude that this provision would assist urban Nebraska more than rural Nebraska. There are several reasons why I would argue that the exemption would assist the growth of small and rural businesses. First, I would suggest that many large manufacturers that have qualified for LB775, are eligible to receive this exemption as a tax credit for making significant increases in the number of employees.

In addition, if you look at where the majority of manufacturers are located, you will find that over 50% of the number of manufacturing estab-

lishments and over 50% of the number of employees working for manufacturers are outside of Nebraska's urban areas. It is noteworthy to mention that I am including neighboring counties to Douglas and Lancaster as urban areas. This means that this exemption will benefit rural Nebraska and create a level playing field along the borders to allow our employers to be more competitive. The exemption addresses only a portion of Nebraska's overall tax climate - but it is a significant portion.

The new Nebraska Advantage Act (LB312) has additional components that will also make it more usable throughout our state. A new, lower tier of qualification for some targeted industries should be attainable for more communities. Tier 1 will require a \$1 million investment and 10 new employees for possible qualification. This is a new tier that has not been available in current economic development incentives.

The investment-only option may help rural areas since rural areas are where the labor shortages are generally most severe. This tier could be used for developing an ethanol plant where investment is high, but the number of employees is low. It is also an excellent tool for retention, in that a business that makes significant investments is more likely to stay in Nebraska.

"Teleworkers" could qualify as new employees for a project. This could increase rural employment opportunities even though an employer might be from an urban area the teleworker can log on to a computer from a rural area.

Refundable tax credits for increasing research and development investments made by a microbusiness (five or fewer employees) would be provided. These are the types of companies that do not require a huge workforce and could easily perform in most rural areas.

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Senators and dignitaries attend as Gov. Heineman signs LB312 and LB90 into law.



State Chamber Chairman Gary Warren made brief remarks at Signing Ceremony for Nebraska Advantage Act.

A Rising Tide Raises All Ships

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Job training and retraining to adapt to today's new high-tech environment is extremely important to both retaining and creating jobs all across Nebraska. We have one of the most productive work forces in the world. We need to assure that they are able to acquire the necessary training to adapt to new technology.

A number of other initiatives that are supported by the general business community will target additional growth or stability opportunities toward rural Nebraska. These include extending support of ethanol production, applying economic development tax credits to firms that invest \$125,000 and add only 2 new employees in counties with a population of 15,000 or less, reenacting the Value Added Opportunities and Value Added Partnership Act, the Building Entrepreneurial Communities Act to support economically depressed rural areas and the creation of the Small Business Rural Microenterprise Tax Credit Program.

A more competitive tax climate is the ultimate economic development incentive. If Nebraska could be the best, or even in the top ten, in all tax and employment cost categories, we may not even need tax incentives. If we were among the lowest in sales tax, individual income tax, corporate income tax, unemployment compensation costs, workers' compensation costs (both of which are entirely paid by the employer), property tax burden, and other forms of taxes or fees, incentives would not be at issue.

While Nebraska's tax climate could be improved, that may be a debate for another day. We are not among the lowest, so it is extremely important that we do have effective incentives to compete for investment and job growth. Revenue Committee Chairman Senator Landis, his committee and others are to be commended for working extremely hard for over a year now to fashion a new incentive package that will allow all of Nebraska to compete for economic growth. ■

Senator Nelson Receives NAM Award

Over 100 State Chamber members and 20 State Senators attended a special luncheon on May 31 to see Senator Ben Nelson receive his National Association of Manufacturers (NAM) Award for Manufacturing Legislative Excellence. Senator Nelson made an excellent presentation regarding manufacturing in America. NAM is at the lead of proposing policies that promote a healthy manufacturing sector and strong, long-term economic growth.

The luncheon was the last meeting of the year of the State Chamber's Public Affairs Council. Costs of the



Behlen Mfg. Chairman Tony Raimondo, Senator Nelson and Gary Warren.

lunch were underwritten by Platinum Sponsors Lincoln Benefit Life, MBA Poultry and Pinnacle Bank; and Gold Sponsors Baldwin Filters, Behlen Mfg., ConAgra Foods, Crete Carrier Corp., Douglas Mfg., Garner Industries, Lincoln Plating, MI Industries, and TierOne Bank. ■

2005 Membership Directory

By now you may have had an opportunity to look through your new 2005 State Chamber Membership and Business Directory. Again this year, we remind you to notice the businesses listed and support them with your continued patronage. Our Membership Department has been busier than ever with recruiting, but we can always use your help. The success of the State Chamber and the prospering business climate in Nebraska comes from a strong membership base. Your efforts to encourage business peers to join in membership are the most effective form of recruitment. Please take a few more minutes to review your directory and look for those businesses you are familiar with that are not listed. Let them know that ALL businesses in Nebraska are benefited by the work of the State Chamber. This is solely attributed to those members who faithfully pay their dues. Please let us know of solid prospects you would recommend for membership by returning the referral sheet which was enclosed with the Directory so that we may follow up on your leads. ■

Straight Talk

Pat On The Back

■ State Chamber members were honored recently by the UNL College of Business Administration:

■ Assurity Security Group was given the 2005 Corporate Leadership Award. The firm is a combination of three firms: Assurity Life, Security Financial Life, and Lincoln Direct Life.

■ Paul and Lori Hogan, founders and operators of Home Instead Senior Care of Omaha, were awarded the Business Excellence Award. Joanne Shephard, president and CEO of First National Bank of Valentine, was awarded the Business Leadership Award. Congratulations to all! ■

Cornerstone Dinner Held With Governor Heineman

Some 20 member firms of the State Chamber's Cornerstone Organization were represented at a special dinner with Governor Dave Heineman on May 17 at the Governor's mansion. A member paying a minimum of \$5,000 in dues investment, and the company is near the recommended dues schedule, are eligible to become a Cornerstone member. The immediate Past Chairman of the State Chamber serves as Chairman of the Cornerstone members for a one-year term.

The key to this program is the recognition of key State Chamber members doing their fair share, and even more than their fair share (if a smaller company) to help provide additional funding for the Nebraska Chamber of Commerce & Industry to enhance and expand its services to all State Chamber members. Current Cornerstone members are:

AFLAC	First Data
Alltel	First National Bank
Altria Group	Kellogg Company
Ameritas Acacia Companies	Kinder Morgan
Ameritrade	Lincoln Benefit Life
Aquila	Mutual of Omaha
Baldwin Filters	Nebraska Book Co.
Becton Dickinson	Nebraska Cable
Blue Cross & Blue Shield	NPPD
Burlington Northern Santa Fe	Novartis
Cabela's	Paypal, Inc.
Chief Industries	Pinnacle Bank
ConAgra Foods	TierOne Bank
Connectivity Solutions Mfg.	Tyson/IBP Foods
Cornerstone Bank	Union Pacific
Douglas Manufacturing	Vetter Health Services
Farmland Foods	Werner Enterprises

State Chamber Welcomes New "Investors"

Membership in the Nebraska Chamber of Commerce & Industry is an investment in Nebraska's economic well-being. This month, the State Chamber welcomes the following new members and encourages members to consider doing business with fellow Chamber members.

BELLEVUE

Northrop Grumman
Robert Hinson

Sponsor: Dwayne Probyn, Metropolitan Community College

BENKELMAN

BW Telcom
Randy Raile

Sponsor: S. Michael Jensen, Great Plains Communications, Inc.

CREIGHTON

North Central Public Power District
Doyle Hazen

ELKHORN

Gateway Lanes
Steve Sempeck

Gottsch Enterprises
Brett Gottsch

FLORISSANT, MO

Novartis Pharmaceuticals
Lon Lowrey

KEARNEY

Barney Insurance, Inc.
Dave Chally

KEYSTONE

Keystone Arthur Telephone Co.
Ron Hoff

Sponsor: S. Michael Jensen, Great Plains Communications, Inc.

LINCOLN

All Digital Solutions, LLC
Matt Kenagy & Chad Olsen

Net Net, Inc.

Richard N. Thompson

Rogge Capital Management, LP
Dwaine W. Rogge

Star Care V

Jan Stordahl

OGALLALA

Cobb Realty, Inc.
Diane England

OMAHA

DBD Enterprises LLC/dba Specialty Auto
David W. Nutting, Sr.

Independent Roofing Co.
A.B. "Albert" Padon

Independent Technologies, Inc.

Tim O'Dell

Steve Morford Construction

Steven L. Morford

Omaha Orthopedic Clinic & Sports Medicine, P.C.
Pam Wiese

Redshaw Paint Supply, Inc.

Andrew P. Weissinger

Regency Lake Capital
Mark Lakers

Butch Simpson Electric, Inc.

Everett Simpson

SOUTH SIOUX CITY
Machined Ideas Co., Inc.

Ken Dinges

VALLEY

Mallard Sand & Gravel Co.

Michael Stratman