

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry
September/October 2012

More Than 500 Attend Legislative Summit

More than 500 chamber members heard from Nebraska's federal congressional delegation at the 2012 Legislative Summit held August 16 at the Strategic Air and Space Museum near Ashland. The policy summit was hosted by the State Chamber, the Lincoln Chamber of Commerce, and the Greater Omaha Chamber of Commerce.

Governor Dave Heineman spoke about Nebraska's recent economic progress, even as other states face high unemployment rates and large financial deficits. State Senator Mike Flood reflected on his six years as speaker of the Legislature, noting the efforts of Nebraska lawmakers to maintain a balanced budget while enhancing vital programs, such as funding for roads.

During a 90-minute congressional update session, Nebraska's U.S. senators and congressmen spoke about their legislative priorities and the key issues before a divided Congress. All five delegation members noted their concern about the \$16 trillion U.S. debt. Other issues of discussion included the farm bill and new federal regulations.

Both of Nebraska's U.S. senators said they were pessimistic about anything getting done legislatively in

Washington, D.C. prior to the November elections. Both said the top priority of Congress needs to be extending the Bush-era tax cuts and heading off the automatic budget cuts.

Congressmen Lee Terry, Jeff Fortenberry and Adrian Smith focused their comments on the debt, as well as the so-called "fiscal cliff" – the scheduled expiration of the 2001 and 2003 tax rates coupled with sequestration cuts.

Attendees also heard from Richard Baier, Executive Vice President of the

State Chamber's Forging Nebraska's Future initiative. Later in the afternoon, Dr. Ernie Goss of Creighton University and Dr. John Anderson of UNL spoke about current economic conditions in Nebraska and the Plains region.

The event concluded with a look at the 2012 elections for both the White House and congress, as Greg Baise of the We Ask America polling service, based in Illinois, reviewed the latest polling information in key battleground states. ■



Rep. Lee Terry addresses more than 500 attendees at the Aug. 16 Legislative Summit at the Air & Space Museum near Ashland. Also pictured are Reps. Adrian Smith and Jeff Fortenberry, as well as Sens. Mike Johanns and Ben Nelson.

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State Chamber Views...
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'Tell Washington To Steer Clear Of The Fiscal Cliff'

On the road to America's economic recovery, there is an obstacle. We see it. We know it's there. We know it's fast approaching.

It is a massive, daunting "fiscal cliff" – the scheduled expiration of the 2001 and 2003 tax rates coupled with indiscriminate sequestration cuts.

The problem is neither political party in Washington, at least for the time being, seems to be taking it seriously. Instead, both sides are going full-steam ahead and using the issue as a political football. In doing so, federal policymakers are creating more uncertainty for employers, reflected in the country's low hiring rates and high jobless numbers.

At best, Washington's failure to act threatens to hinder our economic recovery; at worst, it could derail the U.S. economy, sending us back into recession – or worse.

Time is running short. Unless Congress and President Obama reach an agreement before December 31, the United States will experience its highest tax increase in history and the following actions will be implemented:

- The top rate for individual income taxes – including the rates for many small- and medium-sized businesses – will increase to nearly 40%.
- Tax on dividends will go to a maximum 43.3%.
- Tax on capital gains will go as high as 23.8% (of which 3.8% is due to the new health care law).
- The estate tax will climb to 55% and its exemption will drop from \$5 million to \$1 million.

This fiscal cliff – also dubbed "taxageddon" – is the single biggest

economic threat to America's economic recovery.

The policy staff at the U.S. Chamber estimates that 940,000 American businesses would be subject to considerably higher taxes if current rates are allowed to expire. That means less money for private businesses to invest in capital assets; fewer resources to hire new workers; and less ability to grow our economy.

In late August, the non-partisan Congressional Budget Office spelled out the cost of inaction: a recession with two million jobs lost in 2013. If the Bush-era tax rates expire and automatic spending cuts are implemented, unemployment would rise from 8.3% to 9.1%, the CBO estimates.

So what can be done?

The Nebraska Chamber has joined our two national affiliates – the U.S. Chamber of Commerce and the National Association of Manufacturers – in urging federal lawmakers and the White House to avoid the impending fiscal cliff. A letter signed by all three of our organizations, as well as others, was sent to President Obama and Congressional leaders in early September.

In our letter to Congress and the White House, the State Chamber and co-signers stated their support for immediate action to avoid the fiscal cliff by taking these steps:

- Extend all of the 2001 and 2003 tax rates for all taxpayers, including small business owners and job creators;
- Extend vital business tax provisions;

- Provide alternative minimum tax (AMT) relief;
- Find spending cuts to replace a sequestration that was never meant to go into effect; and
- Firmly commit to comprehensive tax reform and address entitlement spending in 2013.

I urge you to get involved, as well. First, visit the U.S. Chamber's Fiscal Cliff Countdown website at www.friendsofthechamber.com/fiscal-cliff. There, you will find a tax calculator to estimate how much your taxes would increase if current rates expire.

Then take a moment to urge your U.S. senators and congressmen to act to prevent the largest tax increase in U.S. history. A convenient e-mail link can also be found on the U.S. Chamber's website.

Tell your representatives to do everything in their power to steer clear of the fiscal cliff. Tell them your business, your community, and your family are counting on fundamental tax and spending reform to fuel American competitiveness and growth over the long haul. ■

Job Reference Law Now In Effect

Earlier this year, the Nebraska Legislature passed and Governor Heineman signed LB959, one of the session's most important labor law bills. The law took effect in July. Introduced by Fremont Senator Charlie Janssen, LB959 allows employers to share more information with prospective employers about current and former employees with less threat of legal liability. Upon written consent of the prospective employee, LB959 permits current or former employers to disclose relevant workplace and job-related information.

Employers are encouraged to learn the new law's requirements, as well as its limitations, before changing policies, procedures and forms. In order to obtain the protection under LB959, employers must first obtain a written authorization from the employee to release the information. ■

State Chamber Economic Forums, November 12 & 13 In LaVista, Kearney

In recognition of its 100th anniversary, the Nebraska Chamber will host an information-packed, day-long economic forum Nov. 12 in LaVista and Nov. 13 in Kearney. This gathering will give Nebraska business professionals and civic leaders more insight on our state's current economy and competitiveness, while highlighting important steps that need to be taken following the 2012 elections.

Entitled "Century 2012: An Economic Futures Forum," this event will

feature nationally recognized speakers from the Tax Foundation, American Legislative Exchange Council, and the U.S. Chamber's Institute for a Competitive Workforce.

Also appearing will be well-known economists, energy experts, state lawmakers and University of Nebraska officials. Among the topics to be discussed: Nebraska's economic and tax competitiveness; educational innovation; strategies for Nebraska's economic future; and technology and

innovation in the Cornhusker State.

The forum will first be held Nov. 12 at the LaVista Conference Center, starting at 10 a.m. The same forum will be repeated Nov. 13 at the Kearney Holiday Inn Convention Center, also starting at 10 a.m. Details on how to register will be forthcoming. If you are interested in helping sponsor this event, call (402) 474-4422 or e-mail James Berringer at jberringer@nechamber.com. ■



Pictured above are state Senators Galen Hadley of Kearney and Tom Carlson of Holdrege, who addressed the Aug. 22-24 NCCE meeting in Kearney. Also pictured are Jan Rodehorst (left), Kearney Chamber executive director, and Katie Madsen, Holdrege Chamber executive director.

Manufacturing Summit In Grand Island, October 3

The Nebraska Chamber, along with sponsor McGladrey, invites you to be part of the annual Manufacturing and Distribution Executive Summit on Oct. 3, 2012, at the Grand Island Event Center. There is no cost to attend and lunch will be provided. Join colleagues, peers and policy experts — along with Nebraska Governor Dave Heineman — as we discuss a wide range of industry topics, such as trends in manufacturing, workforce issues and legislative updates.

This event, which will be held in concert with the Nebraska Products Show, will also feature the award presentation for the 2012 Nebraska Manufacturer of the Year.

For more information or to register, visit <http://events.mcgladrey.com/forms/NebraskaSummt100312> — or call (402) 474-4422. ■

Chamber Executives Converge In Kearney

On Aug. 22-24, more than two dozen local chamber of commerce executives converged in Kearney for the summer meeting of the Nebraska Chamber of Commerce Executives (NCCE). The gathering featured presentations from several experts on how to improve chamber operations, communications, record keeping and board involvement.

Local chamber professionals were afforded an opportunity to exchange ideas with their peers on how to enhance the business environment in their communities. Chamber executives also received updates from state

lawmakers, while State Chamber President Barry Kennedy provided an overview of this year's legislative races.

NCCE is comprised of more than 35 local chambers, as well as other organizations with an interest in Nebraska's business community. NCCE aims to improve the professional standards, efficiency and stature of local organization executives and staff. The chair of NCCE sits on the State Chamber's Board of Directors, ensuring that the NCCE has a strong voice in State Chamber affairs. ■

State Chamber Conducting Statewide Forums This Fall

The Nebraska Chamber of Commerce & Industry, in cooperation with local chambers of commerce across the state, is currently conducting its annual legislative forums through the end of October. In total, State Chamber staff will visit 33 communities. For a complete schedule of the 2012 legislative forums, call (402) 474-4422 or e-mail nechamber@ne-chamber.com. ■

Gallup Study: Nebraska Is A Top Spot For The Future

Nebraska is a great place to live today – that is well known. But a new Gallup study reports that Nebraska will be one of the nation's best places to reside in the future, as well.

Gallup surveyed more than 530,000 U.S. adults earlier this year to assess the future livability of the 50 states. Utah, Minnesota, Colorado, Nebraska, and North Dakota are the top five states to live in the future, according to Gallup. The five states with the lowest overall average ranking were West Virginia, followed by Mississippi, Kentucky, Nevada and Arkansas.

The study used 13 forward-looking metrics – including economic, workplace, community and personal choices. Some of the key factors considered were economic confidence, job creation, standard of living, obesity rates, safe drinking water, safe places to exercise, and the percentage of workers employed full time. ■

CNBC Names Nebraska Sixth Best For Business

Nebraska is ranked No. 6 in CNBC's 2012 "Top States For Business" poll. The business television network scored all 50 states using data based on 51 metrics developed with the help of the National Association of Manufacturers and the Council on Competitiveness, as well as input from the states themselves. Nebraska improved four spots from CNBC's 2011 ranking and seven spots from its 2010 ranking. The state received strong scores in the categories of business friendliness (No. 6), economy (No. 9), cost of living (No. 11), cost of business (No. 13), and quality of life (No. 13).

Nebraska is now ranked above all of its neighboring states in the annual CNBC study, and No. 5 North Dakota is the only state in the immediate region that is ranked above the Cornhusker State.

Texas, Utah and Virginia were named the top three states for business this year, while Rhode Island, Hawaii and West Virginia were ranked as the worst states for conducting business. ■

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. We encourage you to consider doing business with fellow Chamber members.

CAMBRIDGE

Tri Valley Health System
Tammy Claussen

GENEVA

Geneva State Bank
Aaron Schardt
*Recommended by: Rob Schafer,
Carlson, Schafer & Davis, PC, LLO*

HASTINGS

Hastings College
Dennis Trotter
*Recommended by: Gayle McClure,
Dutton-Lainson Co.*

LINCOLN

CP Strategies
Chris Peterson

Dialysis Center of Lincoln
Larry Emerson

Hy-Vee, Inc.
Jeff Quandt
*Recommended by: Steve Ford,
Pepsi-Cola Bottling Co.*

Kabredlo's Property, Inc.
Mike Olderbak

Lincoln Human Resource Management Association
Judy Ganoung

Nebraska Bank of Commerce
Chris Hove
*Recommended by: Robert Harris,
RB Harris Co.*

Runza National Inc.
Donald Everett, Jr.
*Recommended by: Steve Ford,
Pepsi-Cola Bottling Co.*

OMAHA

Epsen Hillmer Graphics Co.
John Weiss

Grede LLC Omaha
Mike Hasty

SITEL
Demi Roseman

WOWBIZ!
Lynn Hinderaker