

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

September 2011

More Than 500 Attend Chambers' Federal Legislative Summit

More than 500 business leaders heard from Nebraska's federal congressional delegation, Governor Dave Heineman and the Gallup Poll's Dr. Frank Newport during the 2011 Legislative Summit held August 11 at the Strategic Air and Space Museum near Ashland. The policy summit was hosted by the State Chamber, the Lincoln Chamber of Commerce, Greater Omaha Chamber of Commerce, and Bellevue Chamber of Commerce.

During a two-hour congressional forum, Nebraska's U.S. senators and congressmen spoke about their legislative priorities and key issues that must be addressed by a divided Congress. All five delegation members noted their concern about the federal debt crisis and the slowing economic recovery. Other issues of discussion included entitlement and health care reform.

At the summit, Senator Ben

Top Right: Tonn Ostergard, a State Chamber board member and President and CEO of Crete Carrier in Lincoln, speaks with Senator Ben Nelson at the conclusion of the Legislative Summit's congressional forum.

Middle Right: Governor Dave Heineman hears from former State Chamber Chairman A.F. "TR" Raimondo of Behlen Mfg., Columbus, and State Chamber Manufacturers Council Chairman Robert Meaney of Valmont Industries, Omaha.

Nelson criticized the recently passed debt-reduction plan, describing it as inadequate. The other four members of the delegation voted for the compromise and deemed it a first step toward substantial reductions in federal spending.

Senator Mike Johanns told chamber members that entitlement programs need to be reformed in order to achieve long-term debt reduction. "It's the only way we have a chance," the senator said.

Congressman Lee Terry said Medicare and Social Security needed to be fixed now to protect those programs in the future. Congressman Jeff Fortenberry told participants that he welcomed the spirited discussions because, finally, "America is engaged." ■



Bottom Right: At the August 11 Legislative Forum, Senator Mike Johanns speaks about the urgent need to reduce the federal debt, while Congressman Lee Terry, Senator Ben Nelson and Congressman Jeff Fortenberry listen.



Nebraska Chamber of Commerce & Industry
PO Box 95128, Lincoln, NE 68509-5128
Tel: (402) 474-4422 Fax: (402) 474-5681
<http://www.nechamber.com>
nechamber@nechamber.com
Editor: Jamie Karl



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

'Washington Fails To Heed Warnings On Federal Mandates'

One year ago this month, in this column, I wrote that the U.S. economy was trying to recover, but some in the nation's capital were getting in the way. Twelve months later, the situation seems to have worsened.

As a result, America's employers still are not hiring at the levels they could be. Worse, our economy is threatening to dip back into recession.

Since President Obama took office in January 2009, a slew of new federal regulations and proposed rule changes have loomed over the business community, which might otherwise be expanding and hiring new employees.

Consider that in 2007, there were approximately 110,000 federal regulations. Today, those rules are proliferating at a rate of 4,000 additional regulations annually, according to the U.S. Chamber. There are more than 22,580 pages of federal regulations regarding environmental protection; 15,700 pages for the IRS; 10,800 pages for agriculture; 6,555 pages for the transportation sector; 5,575 pages for banks; and 4,958 pages for labor. This is a formula for failure in any economy.

Let's be clear: Employers are willing to play by the rules, but they need to know what the rules are going to be – tomorrow, six months from now, a year from now. If we have learned anything in this stalled economy, it is that uncertainty and over-regulation prevent new hiring, kill existing jobs, and send U.S. jobs overseas.

Yet the rule changes keep coming. It has been reported that the administration added \$9.5 billion in new regulatory costs in July alone by proposing 229 new rules and finalizing another 379 rule changes.

Perhaps it is no surprise that the worst of the offending agencies are

the U.S. Environmental Protection Agency (EPA), the Department of Labor (DOL), and the National Labor Relations Board (NLRB).

Last year at this time, the business community was still concerned about possible passage of the federal "card check" bill, which would allow the unionization of a private business without a secret-ballot election. That legislation appears dead for the time being thanks to a balance of power on Capitol Hill.

But now federal agencies are using the regulatory process to tilt the playing field in the favor of labor unions and to implement policies that mirror the goals of the card check bill. For example, the NLRB has:

- Proposed a rule that would dramatically shorten the election window during union organizing campaigns to as few as 10 days. Under the proposal, a union would have months to give workers their side of the story without employers being given formal notice that an organizing drive was underway. Unions then could spring an "ambush election" at a time of their choosing.
- Offered a plan to revise the guidelines on bargaining unit composition, to make it easier to organize small groups of employees.
- Taken legal action against Boeing for opening a new production line in South Carolina, a right-to-work state. The NLRB wants a judge to order Boeing to move the assembly work to Washington state, even though Boeing is not reducing any of its Washington workforce and has already built a \$750 million South Carolina plant and hired 1,000 new workers there.

Meanwhile, officials at the Labor Department have issued a proposed

rule to discourage employers from seeking legal advice and consultation relating to union issues. Ultimately, the rule would likely deter employers from seeking, and law firms from offering, any advice at all on union issues.

Other harmful rewrites of employment laws and regulations by the administration include plans to expose employers to new liabilities regarding how they classify their workers; mandating that employers implement OSHA-designed comprehensive safety and health programs; requiring employers to post notices about unionizing; and instituting off-site, electronic voting for union certifications.

Meanwhile, the EPA is attempting to implement new regulations that mimic the failed "cap-and-trade" climate bill. EPA Administrator Lisa Jackson recently signed new regulations to aggressively target emissions from coal-fired power plants, which produce about 60% of Nebraska's plentiful, affordable electricity. According to a recent study, these new regulations will increase the nationwide average retail electricity price by 11.5%, while cutting a total of 1.44 million jobs from the U.S. workforce from 2013 to 2020.

Another EPA rule change would place tougher restrictions on ozone emissions. In Nebraska, Douglas and Sioux counties would be the areas hardest hit by these new regulations. A report from the Manufacturing Alliance concludes that the EPA's ozone proposal would result in the loss of 7.3 million U.S. jobs over the next decade and add \$1 trillion in new regulatory costs per year between 2020 and 2030.

It seems our nation's capital is full of slow learners – or they are so hell bent on implementing their agenda that they refuse to accept that over-regulation kills economic growth.

If the administration truly wants to stimulate the economy and new hiring, they can do so almost immediately and with no cost to the taxpayers.

Start by simply scrapping these job-killing mandates and give the private sector some certainty.

Let businesses know that their government is not working against them or their efforts to create jobs.

Are you listening, Washington? ■

Rule Requires Employers To Post Notices on Union Rights

In late August, the National Labor Relations Board (NLRB) in Washington, D.C., issued its final rule requiring nearly every private employer to post a notice in the workplace regarding employees' rights to organize a labor union. The rule is scheduled to take effect on November 14. Earlier this year, the Nebraska Chamber of Commerce & Industry signed onto comments regarding NLRB's proposed rule, arguing, among other things, that the notice requirement is unnecessary, biased and beyond the authority of the NLRB. The NLRB did make some modest changes to its February draft, including striking a requirement that employers must "distribute the posting by e-mail, Twitter or other electronic means." ■

Lobbying Workshop Set For November 10

On Thursday, Nov. 10, the State Chamber will host a workshop addressing Nebraska's lobbying and campaign finance regulations. It will be held from 9 a.m. to noon at The Cornhusker Marriott in Lincoln. This outstanding presentation serves as either a first-time instructional course or a refresher course. The event features Frank J. Daley, executive director of the Nebraska Accountability and Disclosure Commission, who will review state laws impacting campaigns and campaign contributions, as well as necessary legal information for lobbying at the state level. Those attending will receive two credit hours of CLE. Cost to attend is \$75 for State Chamber members and \$100 for non-members.

To register for either workshop or for more information, please call the State Chamber at (402) 474-4422 or e-mail nechamber@nechamber.com. ■

State Chamber's 2012 Annual Meeting To Be Held February 2

Here is an important "save the date" notice: The State Chamber's Annual Meeting and Legislative Caucus will be Thursday, February 2, 2012, at The Cornhusker Marriott in Lincoln. This is one of Nebraska's most recognized and well-attended Chamber events of the year.

Those attending will have an opportunity to hear from state lawmakers and other leaders, and to attend briefings on several important issues of concern to the business community. The evening banquet will feature the traditional passing of the gavel to the new State Chamber chairman, as well as a tribute to Nebraska's newest Business Hall of Fame inductees.

Because 2012 marks the 100th anniversary of the State Chamber's founding, members can expect special events to commemorate the occasion.

For more information on the State Chamber Annual Meeting, please call (402) 474-4422 or e-mail csibley@nechamber.com.

The Annual Meeting also presents sponsorship opportunities to get your business recognized before a large target audience. Businesses or organizations interested in sponsoring should contact James Berringer, Senior Vice President-Membership & Marketing, at (402) 474-4422 or jberringer@nechamber.com. ■

ALEC Study Shows Nebraska Has Work To Do In Area Of Taxation

A new study of state economic competitiveness shows Nebraska still has work to do if it is to continue its recent strong showings in national business rankings. The 2011 edition of "Rich States, Poor States" Economic Competitiveness Index – compiled by the American Legislative Exchange Council (ALEC) – is designed to help promote pro-growth policies at the state level. According to the ALEC index, Nebraska is ranked No. 26 in economic performance (with No. 1 being best) and No. 32 in economic outlook.

In some areas of the study, Nebraska fares particularly well,

including in the areas of right-to-work status (No. 1), minimum wage (No. 1) and legal climate (No. 4). In other areas, Nebraska ranks among the nation's worst pro-growth states. In the category of estate/inheritance tax levied, Nebraska is dead last at No. 50. The Cornhusker State also scores poorly (No. 45) in personal income tax progressivity, since the state's top individual tax rate of 6.84% kicks in at only \$27,000 of earned income. Other areas in which Nebraska ranks in the bottom third of states are: number of public employees (No. 47); property tax burden (No. 36); and number of tax expenditure limits (No. 35). ■

State Chamber Joins Call To Reject EPA's New Ozone Rules

In August, the Nebraska Chamber of Commerce & Industry joined the National Association of Manufacturers in asking President Obama to urge the EPA to halt its plan to strengthen U.S. ozone standards.

A recent report from the Manufacturing Alliance concluded that the EPA's ozone proposal would result in the loss of 7.3 million jobs over the next ten years and add \$1 trillion in new regulatory costs per year between 2020 and 2030.

Even the EPA's own estimates suggest the new standard could add \$90 billion per year to already high operating costs faced by manufacturers and other sectors.

In Nebraska, Douglas and Sioux counties would be the areas hardest hit by the new regulations. In a joint letter to President Obama, NAM and the State Chamber wrote: "Now is not the time to hurt local economies with costly regulations when the United States is struggling to emerge from the recession." ■

Nebraska Number 5 in Pollina's Pro-Business States Study

Nebraska has been named one of America's five most business-friendly states for 2011 by Pollina Corporate Real Estate, Inc., a national leader in corporate site selection. Nebraska is ranked No. 5, only behind Virginia, Utah, North Dakota and Wyoming. The Cornhusker State moved up a spot from its 2010 ranking.

Dr. Ronald R. Pollina, the study's author, noted that Nebraska had climbed 10 positions in just three years. Dr. Pollina lauded the leadership of Governor Dave Heineman and the state's economic development tools. "The Governor is clearly focused on building diverse job opportunities for his state's citizens," Dr. Pollina said.

The Pollina study grades states based on their tax structures, unemployment and budget situations, educational opportunities, incentive programs and other factors. Nebraska's high ranking is due to its relatively low unemployment, solid infrastructure and development business incentives.

Brent Pollina, the company's vice president, said Nebraska had done a fantastic job in "creating the Nebraska brand." He added: "There are a lot of people out there talking about how great the state is, and that it's not just an agricultural state — that they have high tech industries, manufacturing. That is really starting to pay dividends for the state." ■

Chamber's Fall Forums Now Underway

State Chamber staff members are currently touring 31 communities across Nebraska as part of the Chamber's annual legislative forums. Hosted by local chambers of commerce, the legislative forums will continue through November 9.

This year's forums will focus on the Legislature's 2011 session — including developments in the areas of economic development, labor law and taxes. The forums will also examine how Nebraska fares in several economic competitiveness rankings, while detailing the Chamber's new initiative — "Forging Nebraska's Future" — to address the state's challenges and advantages.

These forums provide a timely opportunity for employers, employees and others to learn about the legislative issues that could impact them. For more information or a forum schedule, contact the State Chamber at (402) 474-4422 or e-mail jkarl@nechamber.com.

Chamber Supports Federal Balanced Budget Amendment

The Nebraska Chamber of Commerce & Industry has reiterated its strong support for the concept of a federal balanced budget amendment. Last month, the State Chamber communicated its support to all five members of Nebraska's congressional delegation, writing that the federal debt, left unchecked, would "discourage private investment, stall economic growth and job creation, lower America's standard of living, and cause a serious decline in U.S. competitiveness."

According to the non-partisan Congressional Research Office, in fiscal 2010, the U.S. government spent \$3.456 trillion while it collected \$2.162 trillion in revenue. About 55% of federal outlays are currently mandatory. The State Chamber has longstanding policy in support of amending the U.S. Constitution to ensure a balanced budget. ■

Nebraska Adds 600 Manufacturing Jobs Over Past Year

After three years of consecutive losses, industrial employment in Nebraska has increased over the past year. According to the 2012 Nebraska Manufacturers Register, Nebraska gained 624 industrial jobs between June 2010 and June 2011. The state now has 2,927 manufacturers employ-

ing 120,928 workers. Food products manufacturing remains the state's top sector by industrial employment with 37,096 jobs, while industrial machinery and equipment ranks second with 12,269 jobs. Third-ranked fabricated metal accounts for 9,866 jobs. ■

Nebraska No. 9 In Job Creation

The latest "Job Creation Index" released last month by Gallup reveals that Nebraska has the ninth-best job market in the nation. According to the surveys conducted by Gallup, energy- and commodity-producing states continued to dominate America's best job markets during the first half of 2011, just as they did over the same period in 2010.

North Dakota and D.C. led the country in job creation, according to the index, while Oregon and Nevada produced the fewest number of jobs. Meanwhile, four of the top 10 state job markets — Nebraska, the District of Columbia, North Dakota, and Iowa — also led the nation in economic confidence. ■



Update Your E-mail Information

If you have recently changed your e-mail address or have not yet provided it to us, the State Chamber asks that you send your e-mail to Kay Koch in our office at kkoch@nechamber.com, or call us at (402) 474-4422. By providing your e-mail address now, you will get the most from your State Chamber membership. Please take a minute and provide the State Chamber your e-mail address today. ■