



BUSINESS COUNCIL
OF ALABAMA

2009-2010 Federal Legislative Agenda

(The Federal Agenda was adopted by the Board of Directors on March 3, 2009 and amended on December 4, 2009 for the 111th Congress covering the 2009-2010 sessions.)

- *Proposed Amendments are underlined and displayed in red and were agreed to by the Federal Affairs Committee on February 22, 2010 for the second session of the 111th Congress.*

> ECONOMIC DEVELOPMENT

The BCA will support efforts to:

- Secure federal contracts and support federal programs leveraging Alabama's military, defense and aerospace, biotech and medical research opportunities.
- Enhance research and development initiatives.
- Advocate changes and improvements to Sarbanes-Oxley to reduce the negative impact to business created by the existing statute by providing further clarification to the existing law in order to eliminate several unintended consequences; to reduce the disproportionate costs of compliance; and to ensure the U.S. markets are not at a competitive disadvantage to foreign markets.
- Develop the Ares rockets to replace the Space Shuttle (following its retirement at the end of this year) and keep our nation the world leader in the human exploration of space.
- Ensure that small business government contracts go to small businesses instead of subsidiaries of large companies, (foreign-owned businesses, or subsidiaries of foreign-owned businesses).

>> EDUCATION/WORK FORCE DEVELOPMENT

The BCA will support efforts to:

- Increase funding for the *Striving Readers Act*, which provides grants to states and school districts to create literacy programs specifically for grades 4-12. If increased, this Act will provide the needed resources to expand the Alabama Reading Initiative beyond grades K-3.
- Work with the Department of Defense to rebuild the "compact" between the military and employers so that companies, especially small and midsize companies, continue to hire members of the National Guard and Reserve in this era of increased call-ups for citizen-soldiers.

(Education/Workforce Development Agenda Continued)

- Reform immigration policy to strengthen our national security, including increasing protection of our borders, while providing a supplemental workforce for American businesses and industry. Simplify and expand the caps in the H2B program to make it an effective tool in offsetting the growing workforce shortages in various sectors of the U.S., and in particular Alabama's economy, wherein there are no qualified Americans willing and able to take positions and that the temporary worker must intend to return to their homeland once their visa is expired.
- Reauthorize the *Job Training Improvement Act of 2005* with guidelines that allow more flexible funding and responsiveness to critical training needs.
- Fully fund the Workforce Innovations in Regional Economic Development (WIRED) initiative that will attract and prepare tomorrow's workforce for high-demand jobs in North Alabama.

>> ENVIRONMENT AND ENERGY

The BCA will support efforts to:

- Reduce America's dependence on foreign energy sources, while increasing reliance on domestic energy sources, and promote comprehensive energy conservation research.
- Enact incentive legislation that encourages the production of clean energy.
- Base environmental legislation and regulation on sound scientific study and provide safeguards to the environment without hindering economic development or imposing undue regulations on the business community.
- Invest federally in carbon capture and sequestration technology and efforts such as the Asia-Pacific Partnership on Clean Development and Climate to reduce greenhouse gas emissions.
- Ensure that Alabama has adequate water to meet the state's needs for municipal and industrial water supply, navigation, energy production, economic development, irrigation and recreational uses.
- Encourage research and investment in developing clean coal, nuclear power, and advance gas technology.
- Ensure that any clean energy mandate includes hydroelectricity, nuclear, and coal with carbon capture and sequestration, and natural gas along with all other clean energy technologies so that the most affordable clean energy solutions can be deployed in Alabama.

The BCA will oppose efforts to:

- Eliminate the Section 199 domestic production deduction for oil and gas production, established by the *Jobs Creation Act of 2004*, which provides a 6% tax deduction for corporations who are engaged in U.S. production activities.
 - Impose mandates related to the production of alternative fuels, and alternative and renewable energy.
 - Establish caps or taxes on carbon emissions, which would put Alabama businesses in a competitive disadvantage with other nations.
 - Expand the jurisdiction of the *Clean Water Act* to allow federal agencies to regulate ditches, culverts and pipes, desert washes, sheet flow, erosional features, and farmland and treatment ponds as "waters of the United States," subjecting such waters to all of the requirements of the CWA (*as proposed in S. 787 of the 111th Congress*).
 - Repeal the expensing of intangible drilling costs.
 - Add additional regulations of hydraulic fracturing.
 - Reduce or withdraw the state's delegated authority to administer the federal Clean Water Act in Alabama.

>> FINANCIAL SERVICES

The BCA will support efforts to:

- Support uniform national standards in the regulation of financial services and products in the areas of information security and consumer privacy.
- Enact legislation to increase customer access to services from banks and trust companies on an interstate basis, while strengthening the traditional dual banking system.

The BCA will oppose efforts to:

- Phase out the Terrorism Risk Insurance Act (TRIA), which guarantees the economic interests of our country are protected in any massive terrorist attack in the future.

>> HEALTHCARE

The BCA will support efforts to:

- Develop health benefit programs based on free market competition without government interference.
- Reach an equitable resolution on the Medicare wage index issue so that hospitals in the region will be fairly reimbursed for the services they provide to the Medicare population.
- Establish initiatives that help businesses, particularly small and midsized businesses, to continue to provide affordable health coverage for their employees.
- Continue funding, at current levels, both the adult and pediatric graduate medical education (“GME”) programs, which play key roles in training physicians and ensuring the medical needs of Alabama are met.
- Launch innovative solutions for providing prescription drug coverage at a reasonable cost.
- Ensure that dependent students who take a medically necessary leave of absence do not lose health insurance coverage.
- Invest in and expand the global technology infrastructure to ensure better health information communication.
- Provide consumers (patients) with medical providers’ quality performance data that is transparent and verifiable for the purpose of assessing and improving healthcare merit, accessibility and affordability.
- Include in medical malpractice reform the reporting of lawsuit outcomes.
- Support efforts to find a permanent solution to the Medicare Sustainable Growth Rate (SGR) formula, which impacts physician reimbursements.

The BCA will oppose efforts to:

- Change, through legislation or regulation, the federal funding formula that would negatively impact the state-federal Medicaid program.
- Change, through legislation or regulation, the federal funding formula that would negatively impact health care providers of the federal Medicare program or reduce Medicare reimbursements to Medicare providers.
- Create new mandated benefits.
- Broaden employer liability and to weaken the Employee Retirement Income Security Act (ERISA).
- Establish a national single-payer system of health care coverage.
- Prevent worker’s compensation provider access to patient/claimant information either by placing worker’s compensation benefits under any current or future HIPAA regulation or law.

(Healthcare Agenda Continued)

The BCA will monitor efforts to:

- Allow small employers and individuals to purchase healthcare coverage through insurance pools.

>> LABOR RELATIONS

The BCA will support efforts to:

- Protect right-to-work statutes.

The BCA will oppose efforts to:

- Federalize state workers compensation systems *(as proposed in H.R. 635 in the 111th Congress)*.
- Increase the Federal Minimum Wage or index future increases to inflation or other cost-of-living measurements.

>> LEGAL REFORM

The BCA will support efforts to:

- Reform asbestos litigation to ensure fair treatment of victims and end the pervasive, growing problem posed by a \$250 billion present and future liability for manufacturers.
- Enact civil justice reform, including reform of the collateral source rule; punitive damage awards; damages from non-economic loss; comprehensive product liability; and medical liability as well as abolition of the rule of joint and several liability and adoption of a rule of pure and several proportionate liability.

The BCA will oppose efforts to:

- Erode the Federal Arbitration Act.

>> OSHA

The BCA will support efforts to:

- Implement more scientific research and emphasis on current best practices before new ergonomics regulations are issued.

>> REGULATORY REFORM

The BCA will support efforts to:

- Provide regulatory relief by advocating the review and repeal of outdated, unnecessary regulations.
- Require proposed regulation additions and changes are based on sound science and subject to impartial scientific peer review, risk assessment, and cost/benefit analysis, which places the least burden on sustainable economic development.

>> TAX

The BCA will support efforts to:

- Permanently repeal both the Estate Tax and the Alternative Minimum Tax (AMT).
- Create tax credits and incentives for small businesses and individuals who purchase or provide healthcare coverage, including prescription drugs, for their employees and them.

(Tax Agenda Continued)

- Enact the Business Activity Tax Simplification Act (BATSA) to clarify the requirement of physical presence as the nexus standard governing the assessment of corporate income taxes and comparable taxes.
- Make research and development tax credits permanent.
- Implement accelerated depreciation for capital investment.
- Streamline and simplify our sales/use tax system so that in-state and out-of-state retailers are on a level playing field.

The BCA will oppose efforts to:

- Impose retroactive tax increases on American businesses through modifications of tax rules applicable to closed or existing multi-year transactions.
- Change congressional tax policy where “revenue offsets” are used to underwrite the projected cost of tax cuts, and those offsets result in undue tax increases or undue new taxes on businesses
- Alter the tax consequences of existing corporate compensation plans, including but not limited to: taxing non-qualified deferred compensation plans and limiting deductions for compensation to business executives.
- Repeal the inventory method known as Last-In, First-Out (LIFO), which many manufacturers and retailers have employed for decades.

>> TRADE

The BCA will support efforts to:

- Enact fair trade initiatives that will enhance Alabama’s growth and export capability in the globally competitive marketplace.

>> TRANSPORTATION

The BCA will support efforts to:

- Enact a need-based multi-year federal transportation program by as soon as possible.
- Continue to expand, update and strengthen Alabama’s multi-modal transportation infrastructure.
- Ensure that the reauthorization of the federal transportation program does not change the current balance of funding for roads and bridges versus other modes of transportation.
- Restore the \$8.7 billion rescission in federal transportation funding that occurred with the expiration of SAFETEA-LU.
- Extend SAFETEA-LU funding at the FY2010 baseline level through December 31, 2010 to provide sufficient certainty for transportation planning while Congress completes work on a multi-year highway bill.
- Transfer money to the Highway Trust Fund from the general fund to maintain Highway Trust Fund solvency while Congress completes work on a multi-year highway bill.

The BCA will monitor efforts to:

- Address future Inland Waterways Trust Fund shortfalls.