



BUSINESS COUNCIL
OF ALABAMA

Making a sweet home for business

2018 FEDERAL LEGISLATIVE AGENDA

115TH CONGRESS

ECONOMIC DEVELOPMENT

The BCA will support efforts to:

- Secure federal contracts and support and enhance federal programs leveraging Alabama's military, defense and aerospace, biotech and medical research, and research and development opportunities.
- 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 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.
- Fully fund the development of the Space Launch System and the Multi-Purpose Crew Vehicle to keep our nation the world leader in the human exploration of space.
- Preserve, promote and protect the integrity and viability of the federal government's small business programs to ensure that work awarded under such programs is performed to the maximum extent possible by authentic small businesses that legitimately comply with applicable size standards established by the Small Business Administration.
- Increase the Department of Defense and the Federal Government business footprint in Alabama. We support activities, which bring more contracting, management, program support, research and technology development and related advanced manufacturing functions to Alabama. We support all efforts that will position Alabama as the center of excellence for Department of Defense and Federal Government procurement. We support all efforts, which bring healthy and sustainable growth of the Defense Department and the Federal Government across Alabama.
- Bolster national security and support competition by allowing the Air Force to invest in new launch systems such as the Vulcan Centaur, ensuring Alabama remains the nation's leader in national security space launch.

The BCA will oppose efforts to:

- Reduce products and services that negatively impact our Nation's Armed Forces, Homeland Security and our strategic interests. The BCA will oppose policies and agendas that seek to reduce the Defense and Government business footprint in the State of Alabama and that can have a negative impact in the business community and the products and services that they provide.

EDUCATION/WORK FORCE DEVELOPMENT

The BCA will support efforts to:

- Federally fund 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.
- 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 his or her homeland once their visa is expired.
- Support programs that will enlarge the pool of skilled workers for the manufacturing sector.
- Increase funding for pre-kindergarten educational programs administered by certifiably trained staff, and ensure that the programs demonstrate student academic preparedness for kindergarten through required appropriate accountability measures.
- Reauthorize and increase funding under the Carl D. Perkins Career and Technical Education Act of 2006, with such reauthorization being predicated on the implementation of a bipartisan plan for the states to achieve greater program efficiency and performance outcomes.

ENVIRONMENT AND ENERGY

The BCA will support efforts to:

- 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.
- Delay implementation of EPA's greenhouse gas regulations under the Clean Air Act.
- Increase royalties for offshore drilling for Gulf Coast states.
- 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.
- Reduce America's dependence on foreign energy sources and increasing reliance on domestic energy sources; promote energy conservation; encourage research and investment, and enact incentives in developing clean energy sources, clean coal, nuclear power, and advanced gas technology.
- Invest federally in carbon capture and sequestration technology and efforts to reduce greenhouse gas emissions.
- Ensure that the definition of clean energy includes hydropower, nuclear, and coal with carbon capture and sequestration, and natural gas along with all other clean energy technologies so that the most affordable and reliable clean energy solutions can be deployed in Alabama.
- Encourage sustainable business practices such as life-cycle costing in public sector procurement for water projects.
- Ensure that coal combustion by-products (CCBs) are not regulated as a hazardous waste, and thereby avoid discouraging the many beneficial uses of CCBs (including agricultural and construction uses) and amend the Resource Conservation and Recovery Act to explicitly authorize the right of states to implement a solid waste disposal program for CCBs.
- Ensure a proper understanding of the impact of the EPA's Mercury and Air Toxics Standards (MATS) Utility Maximum Achievable Control Technology (MACT) final rule on electric grid reliability and the associated costs to ratepayers and support judicial review of the MATS MACT rule on compliance deadlines.
- Delay implementation of the Brick and Clay Maximum Achievable Control Technology (MACT) final rule by extending all compliance deadlines based on judicial review.

The BCA will monitor efforts to:

- Impose mandates related to the production of alternative fuels, use of alternative and renewable energy, and implementation of energy efficiency measures funded by utility ratepayers.

2018 BCA Federal Legislative Agenda

- Mandate unreasonable and costly regulations pursuant to the Clean Water Act governing effluent guidelines and cooling-water intake structures at electric generating facilities in an attempt to further reduce impingement and entrainment of aquatic organisms.

The BCA will oppose efforts to:

- Impose regulations or fiscal policies that threaten the drilling and completion of domestic oil and gas wells and pipelines.
- Establish caps or taxes on carbon emissions, which would put Alabama businesses in a competitive disadvantage with other states or 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.
- Reduce or withdraw the state’s delegated authority to administer the federal Clean Water Act in Alabama.
- Regulate coal combustion by-products (CCBs) as a hazardous waste.

FINANCIAL SERVICES

The BCA will support efforts to:

- Represent the interests of its bank and financial services members by working closely with the Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee to ensure that the regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act are implemented in a reasonable and proper manner to ensure the stability of the financial services industry and the availability of credit to consumers.

The BCA will monitor 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.

HEALTH CARE

The BCA will support efforts to:

- Repeal the Patient Protection and Affordable Care Act in its entirety.
- Maintain equitable funding and formulas for the Medicare and Medicaid programs (federal funds designated to states, sustainable growth rate, etc).
- Reach an equitable resolution on the Medicare Wage Index issue so that hospitals in the region will be fairly reimbursed for the services provided to the Medicare population. The current wage index calculation penalizes Alabama hospitals, which are already some of the most efficient in the country in terms of costs, by paying hospitals in other states almost double what is paid in Alabama for the same care.
- Fund graduate medical education (adult and pediatric) and medical research. Support scientific research through the National Institutes of Health and other relevant departments and agencies.
- Ensure all employers, regardless of size, have vehicles (tax incentives, etc) to provide affordable health care coverage for their workforce.
- Repeal the Patient Protection and Affordable Care Act excise tax on health insurance premiums.
- Repeal the Medicaid Disproportionate Share reductions for Affordable Care Act non-expansion states.

The BCA will oppose efforts to:

- Change, through legislation or regulation, the federal funding formula that would negatively impact the state-federal Medicaid and Medicare programs and providers.
- Create new mandated benefits.
- Weaken workers' compensation requirements.
- Increase the cost of health care or liability to the employer or weaken the Employee Retirement Income Security Act (ERISA).
- Implement a national single-payer health care plan.

The BCA will monitor efforts to:

- Contain health care costs through medical malpractice reforms, technology, quality, and safety initiatives.

LABOR RELATIONS

The BCA will support efforts to:

- Protect right-to-work statutes.

The BCA will monitor:

- Efforts of the National Labor Relations Board with respect to unionization.
- Enhanced efforts by the US Department of Labor and the Internal Revenue Service to audit the employment status of workers, to ensure that the agencies' audit and appeals processes do not encourage their employees to skew the result toward finding "employee" status.

The BCA will oppose efforts to:

- Legislate, regulate or implement any provision of the Employee Free Choice Act, also known as card-check legislation, which would allow unions to collect employee signatures instead of holding an election by secret ballot.

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.

The BCA will monitor efforts to:

- Protect the right to free speech in the judicial process.

OSHA

The BCA will support efforts to:

- Negate or repeal the proposed OSHA rules regarding reporting requirements for workplace injuries and illnesses because they are vague, duplicative and they interfere with employers' obligation to ensure that workplace safety protocols are followed.
- Implement more scientific research and emphasis on current best practices before new ergonomics regulations are issued.
- Adopt new occupational safety and health standards and regulations through the current statutory and regulatory framework that both Congress and the Executive branch have established, thereby preserving for all stakeholders a voice in the process of developing new standards and regulations.
- Review current occupational safety and health standards and regulations so that they are working as intended. Prior to any new rulemaking, OSHA should practice due diligence in reviewing whether existing standards and regulations address emerging safety and health issues. OSHA should work to limit the regulatory burden on employers whenever possible.
- Allow employers to stay abatement requirements, pending the full completion of a challenge to the citation through the Occupational Safety and Health Review Commission, should they choose to do so.

REGULATORY REFORM

The BCA will support efforts to:

- Provide regulatory relief by advocating the review and repeal of outdated, unnecessary regulations.
- Require that 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:

- Pass comprehensive tax reform that will lower the corporate tax rate enabling American companies to compete for investment across the globe and not stand idle, while other nations move into those markets.
- Permanently repeal both the Estate Tax and the Alternative Minimum Tax (AMT).
- Create tax credits and incentives for small businesses that provide health care coverage, including prescription drugs, for their employees.
- 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.
- Enact the Mobile Workforce State Income Tax Simplification Act to establish a uniform standard that governs the taxation of and the withholding of state income taxes from nonresident employees.
- Make research and development tax credits permanent.
- Make accelerated depreciation for capital investment permanent.
- Enact federal legislation to authorize states to 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.
- Modernize the North American Free Trade Agreement (NAFTA) while recognizing that the existing agreement has brought new industries and investment and created tens of thousands of jobs in Alabama, boosted economic growth and strengthened local economies. Reduced trade barriers in the region have provided extraordinary benefits to Alabama businesses, particularly manufacturers. As such, any modernization effort of the NAFTA must not harm the benefits enabled by the existing agreement and focus on enhancing America's global competitiveness through stronger regional alliances.

TRANSPORTATION AND INFRASTRUCTURE

The BCA will support efforts to:

- Implement a federal infrastructure plan that increases our nation's investment in infrastructure and provides additional funding to Alabama to expand, update and strengthen our state's transportation infrastructure.
- If necessary, transfer money to the Highway Trust Fund from the General Fund to maintain Highway Trust Fund solvency.
- Invest in the nation's water infrastructure through increased funding for the Clean Water and Drinking Water State Revolving Funds and other similar mechanisms, and the removal of limits on private activity bond financing for water and wastewater projects.
- Provide adequate funding for the U.S. Army Corps of Engineers, which is needed for the operation, maintenance, and improvement of Alabama's navigable waterways, and the Port of Mobile.

The BCA will monitor efforts to:

- Address future Inland Waterways Trust Fund shortfalls.

The BCA will oppose efforts to:

- Change the tax-free status of municipal bonds.