

Facing Our Future



The Policies
and
Legislative Priorities
of the
Saginaw County
Chamber
of Commerce





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An Introduction...

We are pleased to provide you with this copy of the Saginaw County Chamber of Commerce Legislative Priorities for the 2009–2010 legislative session. These priorities were reviewed and approved in 2009 by the Saginaw County Chamber of Commerce Board of Directors, comprised of business leaders from throughout the Great Lakes Bay Region.

We formed Ad Hoc Committees to review nine major issue areas facing Saginaw County, the Great Lakes Bay Region and the State of Michigan's job providers. Those areas included: education quality; employment; energy; environmental quality; health care; lawsuit abuse, taxes, technology and telecommunications.

The Saginaw County Chamber of Commerce Legislative Priorities are not intended to be a catalog of the Chamber's position on every important issue that might come up over the legislative session. Rather, they are intended to communicate to business people, the news media, the legislature and administration what local and state government's top legislative and regulatory priorities should be to encourage job creation and economic growth.

As always, please feel free to contact us here at the Saginaw County Chamber of Commerce with questions or concerns.

Sincerely,



Matt Pumford
Chairman, 2009



Bob VanDeventer
President & CEO

**2009-2010
Legislative
Priorities**

CANDIDATE ENDORSEMENT POLICY

The Saginaw County Chamber of Commerce Board of Directors established a policy on Political Candidate Endorsements that establishes a process for candidate endorsements. This policy gives the SCCC Board of Directors the ability to officially endorse and support candidates for public office.

This policy creates a Screening and Endorsement Committee that would work using a three-step process:

- Step 1. The first, and most fundamental step will be to create a basic screening process for endorsement. The committee will look at the legitimacy/electability of a candidate and the extent of influence a Chamber endorsement would have in a given race, and what negative impacts could occur with the candidate endorsement.
- Step 2. The committee will use written criteria on which to base its endorsement, including responses to questionnaire, scheduled interviews, information gathered through membership surveys and information gathered from selected influence groups.
- Step 3. The committee would forward endorsement recommendations to the SCCC Executive Board and then to the SCCC Full Board of Directors for ratification.

The Screening and Endorsement Committee will be comprised of no less than nine members and will also serve as the Political Action Committee (PAC).

WHY?

The Mission of the Saginaw County Chamber of Commerce is: To be the leading voice of economic influence in the Saginaw Valley Region.

Consistent with that mission statement, we believe that we must be part of the political process; supporting elected officials and candidates that reflect the values and beliefs of the business community.

We have moved toward a more regional approach to chamber, economic development, community and legislative issues that affect our members. We believe that in order to be relevant in forming and steering public policy, we must be willing to elect leaders that will carry that philosophy to their respective elected positions.

ENVIRONMENTAL POLICY

Saginaw County Priorities

- Help to facilitate a resolution to the dioxin issue in the Great Lakes Bay Region
- Remove Executive Order that prevents the building of 8 proposed clean-coal fired power plants in Michigan and reduces by 45% power plant construction by 2020.

ISSUE: MDEQ Regulatory Powers

CHAMBER MEMBERS ADVOCATE:

- Support legislation that prohibits state agencies from promulgating rules more stringent than the federal standard unless specifically authorized by statute. Other states have passed the “no more stringent than federal standards” legislation and that should be evaluated.
- Support legislation to ensure timely action by state government on permits.
 - o Failure to meet statutory deadlines by regulatory agencies should result in automatic issuance of permits and full refunds of permit fees.
 - o Close the loophole about complete application submitted.
 - o Authorize the use of private sector contractors to help complete work in a timely and professional manner.
 - o Support legislation to authorize permit applicants to seek expedited legal review of permit denials, including damages and legal fees for failure by the state agencies to meet regulatory deadlines or for improper denials.

- o Support the establishment of online report cards to track the performance of state agencies in meeting statutory time frames and the cost to meet them by project.
- Support efforts to return underperforming, federally-authorized regulatory programs currently being administered by the state government to the federal government. Call for the termination of parallel state programs, legislation and rules. The state should seek to eliminate duplicative efforts of review with the federal government. Programs should be evaluated through a series of metrics that include overall customer service, length of time to process permits, cost to the state of Michigan and measurable environmental benefits.
- Ensure that any fee increases include reforms that reduce regulatory burdens. Fees should only be used to pay for the processing of permit applications. General Fund dollars should be used to support compliance assistance, enforcement, rent, computers and central office support. All fee proposals must include sunsets and defensible workload analysis justifying the need for the fee and budgetary documentation showing proper use of fee funds.
- Support the elimination of duplicative regulation between state agencies and even between divisions within one state agency. Businesses should not have to seek multiple approvals on the same issue.
- Support legislation to strengthen the rulemaking process.
 - o Support the State of Michigan adopting an Administrative Procedure Act (APA) that is much closer to the federal APA as have a number of States. This makes challenges to rulemakings and the availability of legal relief much more clear than the current Michigan Administrative Act that makes it difficult to go to court in a variety of different administrative contexts.
 - o Require a periodic legislative review of all existing rules to determine their effect on Michigan's overall competitiveness.
 - o Support legislation to authorize affected individuals that successfully challenge rules as improper or misapplied, every 5 years, to receive statutory damages and legal fees.

ENVIRONMENTAL POLICY

ISSUE: MDEQ Regulatory Powers cont.

- o An independent Environmental Science Board should be created by the Legislature to review science and findings and conclusions from any state agency.
- o Any decisions of this nature being made by state agencies should be required to undergo a public review and comment period with a published response to all comments required.
- o Support efforts to revise the guidance document and operational memoranda process.
- o Ensure that guidance documents are defined to include operational memoranda and similar documents so that it is clear that these op memos (and other similar documents) cannot bind entities other than the agency issuing them.
- o All new guidance documents including op memos (and similar documents) and changes to existing documents must go through a specified stakeholder process including notice and the opportunity to comment prior to adoption.

- o Draft op memos cannot be relied upon or utilized by any agency until they have been finalized and approved.

- o Notice of op memos and copies of the op memos must be made clearer through the MDEQ Website and other avenues.

- o The APA should include remedies for agency violations of the Administrative Procedures Act (APA) beyond those already included to provide a disincentive to the adoption and application of the APA beyond those already included.

- o Part 201 should be revised to make it clear that it, like the federal CERCLA is a liability act and not a regulatory act. Unlike the federal act, the intent is that under Part 201 there should be the opportunity for owners of property and others to take certain actions and thereafter have no continuing liability or responsibility under Part 201. MDEQ interprets Part 201 as another regulatory act that gives it jurisdiction over property and parties essentially forever, even if all acts necessary to complete a cleanup have been concluded.

WHY?

Michigan's regulatory burden is negatively affecting economic growth. Delay of permit processing imposes serious economic constraints on the ability of business to plan for their operations. The MDEQ has been unilaterally imposing standards beyond federal rules, beyond state legislation and in some cases, even beyond the state rules, making Michigan less competitive with other states. The Legislature must take aggressive action to help reduce the overall regulatory burden which will help to encourage job growth and investment in Michigan.

In the State of the State address, the governor stated that a review of energy permit applications would include the state determining whether a project is needed. That is an absolute business disincentive to invest in Michigan.

ENVIRONMENTAL POLICY

ISSUE: Protect the Great Lakes and Allow Reasonable Use of Water Resources

CHAMBER MEMBERS ADVOCATE:

- Support the implementation of the scientifically-based groundwater model established under PA 179-190 of 2008. Implementation of the model must protect existing water users through full recognition of registered capacity levels.
- Support the continuation of sector-driven voluntary water conservation efforts created by statewide trade associations consistent with PA 179-190 of 2008.
- Opposing efforts to expand the public trust doctrine or further restrict Compact-recognized consumptive uses.
- Support the implementation of the Great Lakes Compact as ratified by the states and Congress. Oppose efforts to expand the scope of the Compact through regional governance measures and procedures without legislative approval. The newly-created Regional Body must establish an open and transparent process in its decision-making process.
- Support federal funding for those portions of the Great Lakes Regional Collaboration's Restoration Strategy that provide economic benefits for the region and have measurable results and a demonstrated cost benefit analysis. Funding for the Great Lakes must have a targeted and prioritized spending plan.
- Support reforms to the state's wetland program. Fee increases being sought by the department must

include reforms to the program. Reforms should include ensuring definitions and permits are consistent with federal standards, creating exemptions for wet areas created by human activity and a creation of a comprehensive statewide wetland inventory. If reforms are not achieved, the state should explore returning the wetlands program back to the federal government.

- Support careful deliberations in the ongoing review of Michigan's wetlands program by the U.S. EPA. The review should be closely monitored and the interests of Michigan's residents and businesses should be taken fully into account before proposing or adopting any material changes in the program and before eliminating any permitting exemptions.

WHY?

Michigan's economy is heavily dependent on the availability and access to water resources. A recent Brookings Institute analysis showed the Great Lakes and coastal systems can be a major catalyst for economic growth. It is critical that the Great Lakes are protected from harmful diversions to help ensure that water and jobs remain in Michigan. At the same time, any further regulation of water resources or significant limitations on access to water must balance the need for resource protection with the need to grow our jobs and the economy.

ENVIRONMENTAL POLICY

ISSUE: Solid Waste

CHAMBER MEMBERS ADVOCATE:

- Support efforts to streamline rules and regulations related to waste management and recycling. The state should adopt the EPA's Final Rule revising the Definition of Solid Waste, encourage the beneficial reuse of waste and minimize reporting requirements such as those in the current manifest system.
- Support implementation of a cost-effective, market-based statewide plan to encourage waste reduction and waste utilization. Funding of such a plan may include a recycling fee of not more than one-cent per sales transaction on tangible goods sold at retail. For any new funding source, measures must be taken to ensure that there is accountability in the process and clear measurable goals and outcomes to the purpose and that any new tax generates more revenue than its total cost to administer.
- Oppose new solid waste taxes.
- Oppose expansion of the bottle deposit law.
- Oppose new landfill bans not supported by scientific and proven environmental evidence.

WHY?

Solid and industrial waste policies need to achieve a balance that benefits job providers, the environment and all of society. To achieve this balance, the state needs to develop and implement a comprehensive cost-effective program to minimize waste generation and maximize waste utilization and recycling. This should be done by focusing on market-based approaches rather than top-down mandates. Prescriptive regulatory options, such as expanded container deposit laws or unnecessary garbage taxes, will increase costs for Michigan manufacturers and retailers and make Michigan less competitive in a global marketplace. Outdated rules related to disposal of industrial waste are causing job providers to needlessly spend resources with no corresponding environmental benefits.

ENVIRONMENTAL POLICY

ISSUE: Air Quality Standards

CHAMBER MEMBERS ADVOCATE:

- Support efforts to establish federal legislation that provides reasonable cost-effective greenhouse gas regulations. The legislation must give job providers adequate timeframes to transition to new technologies. Policymakers must be cautious not to over-reach in developing new regulations which would cause dramatic job loss and further economic decline in Michigan. The EPA should withdraw efforts to implement rules related to climate change and defer to Congress.
- Support efforts to promote the advancement and deployment of greenhouse gas reduction technology. Michigan offers a lot of opportunities for the development of clean energy, including renewable and carbon capture and storage technologies. Efforts should be undertaken to ensure that there are no conflicts with the state constitution, to establish a clear set of property rights and to address future liability issues associated with stored carbon.
- Oppose the adoption of mandatory state-only or regional greenhouse gas regulations. A state-only or regional approach would make Michigan uncompetitive and do little or nothing to affect the climate.
- Support efforts to extend the current air quality Title V fee. The air fee must not exceed the federal presumptive minimum. Cost-saving reform measures should be implemented, including value stream mapping throughout the entire air program

WHY?

Over the last several years, Michigan has been consuming land at a higher rate than the population growth. To improve development patterns, protect critical land-based industries (forestry, agriculture, tourism) and enhance overall quality of life, land use practices should be encouraged. Reasonable land use legislation should rely on the principles of protecting private property rights and allowing market forces to work.

ENVIRONMENTAL POLICY

ISSUE: Reinvigorate Clean-up of Contaminated Sites (Brownfields)

CHAMBER MEMBERS ADVOCATE:

- Oppose efforts to provide state government with more funding for cleanups unless dramatic reforms are made to the cleanup program. The current program is impeding development in our state and chasing away investment dollars from the private sector. Reforms are necessary to improve process certainties, enhance agency cooperation and ensure closures are occurring.
- Support reprioritizing the efforts of the agency to focus on achieving closure of sites. Metrics should be established that record annual closures being achieved. Failure to achieve cleanup goals should result in a decrease in agency funding.
- Support the creation of an administrative review board made up of qualified technical experts that would act as an appeals board on decisions being made by the state agency.
- Support efforts to establish an open and transparent decision-making process by the MDEQ. Currently, much of the Department's decision-making on remedial action plans is conducted in secrecy and the responsible party is afforded no opportunity to participate or respond to issues before being handed what is effectively a final decision. This is particularly true of the Department's Remediation Advisory Team (RAT). Applicants should be given the ability to defend their applications and have an understanding of why applications are denied.

- Support efforts to streamline the decision-making process. There should be hard deadlines on all reviews and consequences if the agency does not hit the deadlines. Shorter time frames (30 days) should be established for reviews of low-risk sites. Automatic approvals should be established if the agency fails to meet the time lines.
- Continuing support of the current causation-based liability scheme and risk-based cleanup standards contained in Part 201. These standards are essential components for a successful Brownfield Redevelopment cleanup program.

WHY?

In the mid-1900's, policymakers in Michigan recognized the need to develop a comprehensive strategy to clean up and put into productive use contaminated properties. This strategy made Michigan a leader in the Brownfield redevelopment movement. Unfortunately, the success of Michigan's clean-up program is now waning. The program has become over-burdensome and few closures of sites are now occurring. To return as a leader in the clean-up and redevelopment field and entice business investment in our communities, Michigan must enact reforms to improve the performance of our clean-up programs.

EDUCATION POLICY

Saginaw County Priorities

Capital outlay resources to expand medical professional degree opportunities at Delta College

ISSUE: Education Quality

Implementation of Recent Education Policy Changes and Improvements at the Local Level to Reflect the Necessary Skills Needed by Michigan's Job Providers.

CHAMBER MEMBERS ADVOCATE:

- Strongly support equitable funding for all Michigan K-12 schools and Universities.
- No cuts in per-pupil funding for Michigan Schools.
- Early childhood development programs that will help ensure that all children enter the school system prepared and ready to learn by closing the disparity gap between high risk and other students.
- Supporting the existing legislation on high school graduation requirements and accountability, understanding that this will require flexibility or alternative of some kind for students unable to meet these education goals.
- Supporting the Michigan Department of Education, the Legislature, the Office of the Governor and the broader education community to hold schools of education accountable for the quality of teachers and education administrators they graduate and credential.
- Articulating the case that quality education is not solely driven by spending, but rather by the nine essential components of "The Vision" advocated by Michigan Business Leaders for Education Excellence

(MBLEE) – see page 3 for Essential Components of a Successful Education System.

- Ensuring that a functional data system to track and monitor progress in Michigan’s education system is in place.
- Support the development of an urban public school policy and develop a more thoughtful policy toward urban charter schools.
- Create high expectations for students to attend and complete higher education to meet the skill needs of a 21st century workforce by supporting the immediate implementation of the grade level content expectations and prevent decline in the bar set to measure Adequate Yearly Progress, working toward a goal of 100.
- Support the recommendations of the Cherry Commission Report as it relates to the creation of high expectations for students in skill needs and graduation requirements

WHY?

Our state and nation’s future economic security, and our ability to flourish as a democratic society, demand a generation of graduates with solid academic knowledge, world-class technical skills, conscientious work habits, and eager, creative analytical minds. High standards and opportunities to achieve must be available to all students, and must reach into every community.

The school reform debate in Lansing must focus on outcomes and producing better results for students, parents and employers.

The Saginaw County Chamber of Commerce has placed bullet-pointed issues by priority, understanding that while the legislature must address significant budget constraints, full per-pupil funding, early childhood development as well as the Delta College capital outlay request are top priorities for this region.

EDUCATION POLICY

ISSUE: SCHOOL REFORM

How to Improve the Efficiency of K-12 Public Education in Michigan.

CHAMBER MEMBERS ADVOCATE:

- At minimum, school districts should be encouraged to consolidate and/or privatize services through intermediate school districts, while retaining local control of academic programs.
- Changing the defined benefit pension system for public school employees to a competitive, but more affordable defined contribution or 401(k) type of retirement benefit.
- Begin to address the legacy costs facing school districts by increasing the length of time an employee works before becoming eligible for post employment benefit costs and increase the employee contribution to pension and retiree healthcare programs.
- Promoting employee rights and professionalism by prohibiting compulsory unionization of public school employees.
- Amending Michigan's obsolete Teacher Tenure Act to allow for reforms and improved teacher quality.
- Providing for more prompt and vigorous enforcement of the state law prohibiting teacher strikes.

- Saving taxpayers money by eliminating Michigan's "Prevailing Wage" Act.
- We support school funding policies that allow for a 3 year rolling average on student enrollment. This would enable better planning by school districts to gradually increase/decrease funding variables due to shifts in student population.

WHY?

We advocate holding school districts responsible to provide the highest academic results for students and best performance by teachers for the investment of Michigan Residents' tax dollars.

EDUCATION POLICY

ESSENTIAL COMPONENTS OF A SUCCESSFUL EDUCATION SYSTEM

The nine essential components are based on the fundamental belief that all children can and must learn at much higher levels - from students who now drop out of school to those considered to be high achievers. The nine essential components are a comprehensive, integrated strategy for system change. Taken together, they outline the changes needed, in each state and community, to improve student achievement. The components are:

1. **Standards.** A successful system clearly defines, in measurable terms, expectations for what students need to know and be able to do to succeed in school, in the workplace and in life. A successful system aligns and focuses its policies and programs on student achievement of high academic standards.
2. **Assessments.** A successful system focuses on results, measuring and reporting student, school and system performance so that students, teachers, parents and the public can understand and act on the information.
3. **Accountability.** A successful system bases consequences for policymakers, educators, and students on demonstrated performance. It provides students the curriculum, instruction and time they need to suc-

ceed. It assists schools that are struggling to improve, rewards exemplary schools and penalizes schools that persistently fail to educate their students.

4. **Professional Development.** A successful system insists on meaningful preparation and continuous learning for teachers and administrators that drives improved teaching, learning and school management.
5. **School Autonomy.** A successful system gives individual schools the freedom of action and resources necessary for high performance and true accountability.
6. **Parent Involvement.** A successful system enables parents to support the learning process, influence schools and make choices about their children's education.
7. **Learning Readiness.** A successful system recognizes the importance of the years before children come to school. It provides high-quality pre-kindergarten education for disadvantaged children. It also builds strong partnerships with other public and private agencies to overcome learning barriers caused by poverty, neglect, violence or ill health for students of all ages.
8. **Technology.** A successful system places no barriers to the creative use of technology to broaden access to knowledge, to improve learning and productivity, and to achieve student expectations.
9. **Safety and Discipline.** A successful system provides a safe, well-disciplined and caring environment for student learning.

HEALTH CARE POLICY

ISSUE: HEALTH CARE REFORM

***Advocate for Consumer
Driven Reforms
Resulting in Affordable
Health Care Options
Provided Through
Private Insurance.***

CHAMBER MEMBERS ADVOCATE:

- Support state and federal efforts that enable employers to provide cost-effective health care benefits and expand flexibility, competition and choice in the marketplace while developing competitive alternatives for individually-owned and consumer driven health coverage.
- Oppose healthcare mandates and policy changes that ignore the important role of the free market, especially in the area of benefit plan design.
- Support employers' rights to provide health care coverage for their employees while opposing efforts to penalize job providers who do not.
- Encourage personal responsibility for health by promoting wellness, prevention and chronic disease management programs.
- Support meaningful efforts to promote transparency in the health care marketplace by supporting efforts to promote the disclosure of cost and quality data in order to educate consumers about the cost and effectiveness of treatment options and the performance of health care providers so they can make well-informed health care decisions.

- Oppose cost-shifting by Medicaid and Medicare to the private sector by ensuring appropriate payment by government entities and programs in a manner that promotes quality and efficiency.
- Support the Certification of Need (CON) program and Commission to the extent that it benefits consumers, providers and purchasers of health services with affordability, accessibility and quality.

WHY?

True health care cost containment cannot be achieved if the focus is on price controls and government interference in health care purchasing decisions. Rules and regulations already on the books have driven up costs and reduced choices; more of the same kind of regulation will only produce more of the same result. Instead, policymakers should focus on implementing market-friendly, consumer-driven reforms and the elimination of regulations increasing employer and employees' costs and adding to the number of uninsured individuals statewide.

EMPLOYMENT ISSUES POLICY

ISSUE: **Fair and Affordable Employment Laws**

CHAMBER MEMBERS ADVOCATE:

- Retaining the right to a secret ballot election in the choice of union representation and current National Labor Relations Board (NLRB) enforcement provisions, while opposing the implementation of mandatory arbitration of collective bargaining agreements.
- Opposing efforts to expand the application of the Family Medical Leave Act (FMLA) and efforts to require paid leave.
- Ensuring the financial stability, accountability and solvency of the state's unemployment compensation trust fund while opposing efforts to increase the current level of unemployment insurance benefits unless offset by significant cost-savings reforms.
- Requiring comprehensive payment, assessment and timely appellate processes for unemployment insurance taxpayers.
- Supporting voluntary and cooperative efforts between labor and management to promote safety in the workplace, while opposing mandatory ergonomic standards.
- Support Michigan's doctrine of employment-at-will by protecting employers' rights to direct, manage, compensate and communicate with their workforce in an efficient and productive manner without governmental interference.

- Retaining the current minimum wage law, and opposing any efforts to automatically link future minimum wage increases to the rate of inflation or increase the wage for tipped employees.
- Opposing an increase in workers' compensation benefits and efforts to shift the cost of operating the Bureau of Workers' Disability Compensation to employers.
- Oppose any state efforts to reverse the U.S. Department of Labor's 2004 Fair Labor Standards Act (FLSA) overtime regulations.
- Oppose expansion of the Persons with Disabilities Civil Rights Act.

WHY?

In today's volatile economy, fair and affordable employment laws, including unemployment and workers' compensation programs, are more important than ever. In 2007, Michigan employers paid out more than \$1.8 billion in unemployment insurance (UI) benefits and nearly \$1.5 billion in workers' compensation benefits. Employers finance One hundred percent of these benefits; therefore, any reforms to the UI or workers' compensation systems should balance the needs of employees and employers.

Further, employee should have the right to choose freely and anonymously whether to unionize and should be further educated of their right to object to their union using dues money for purposes not directly related to collective bargaining.

Finally, employers should have the flexibility to manage their workforce and employees' needs – with limited governmental involvement or

ENERGY & TELECOMMUNICATION POLICY

Saginaw County Priorities

- *Expand opportunities to build out the solar chain, from supporting our members producing the raw material to attracting alternative energy manufacturing, distribution and installation.*
- *Support efforts to develop the American Solar Power Innovation and Research Enterprise (ASPIRE), Center for Energy Excellence*

ISSUE: ENERGY

Foster Economic Development and Job Creation through a Safe, Reliable and Affordable Energy Marketplace.

CHAMBER MEMBERS ADVOCATE:

- Support implementation of cost-of-service rates as required by PA 286 of 2008. The Michigan Public Service Commission (MPSC) must ensure that rate subsidization by industrial and commercial customers is eliminated within the next five years.
- Support development of affordable energy supplies, reliable electrical interconnections and utility services that will be competitive with those states that Michigan competes with for jobs and investment.
- Continue support of customer choice and competition in electric markets. The PSC should ensure that customers can exercise choice based on the new requirements of PA 286 of 2008. Michigan customers should continue to have access to economical energy

supplies located both within and outside the state.

- Support efforts to ensure that new clean coal and nuclear plants, including new regulated utility plants – when a need has been demonstrated – can be fairly evaluated. We support building new base-load plants in a timely fashion and act in accordance with the law.
- Support efforts to reduce regulatory barriers to promote the new generation of renewable energy.
- Support cost-effective implementation of Michigan’s renewable portfolio standards required under PA 295 of 2008, and assuring that renewable energy supplies are economically and efficiently connected to the power grid. The new law will require one of the largest renewable builds in the country. In order to ensure Michigan achieves the stated goals of renewable energy, lawmakers must avoid increasing renewable percentages or making any dramatic changes to current law.
- Support cost-effective implementation of energy efficiency requirements under PS 295 of 2008. The PSC must ensure that business customers have adequate time and opportunity to self-certify that they are implementing efficiency standards. The costs of energy efficiency programs must be implemented without any inter-or intra-class subsidies.
- Support additional reviews for cost-effective efficiency savings including appliance and equipment standards, model building codes, peak management response programs, smart metering technology and operational practices and measures.
- Oppose efforts to establish a Michigan-specific, low-carbon fuel standard for gasoline. Efforts to enact a low-carbon fuel standard are best addressed by the federal government. Requiring boutique, state-specific

ENERGY & TELECOMMUNICATION POLICY

ISSUE: Energy Marketplace cont.

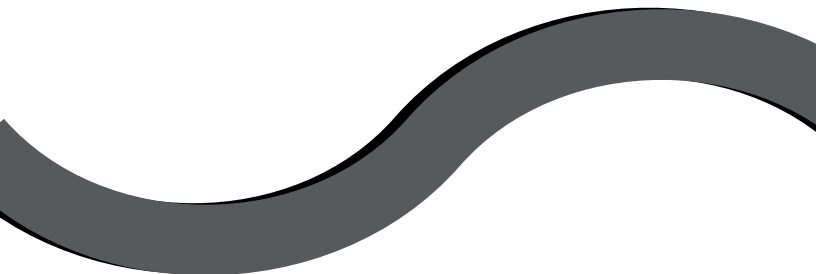
fuels will drive up the price of gasoline.

- Support federal action to enhance the viability of nuclear energy production as a supply option if and when the need for more capacity is demonstrated. Efforts should be made to streamline the regulatory process at the Nuclear Regulatory Commission. In addition, Congress and the states must look to find effective nuclear waste solutions, including enhancing opportunities for the reprocessing of waste, and establishing a permanent waste repository.
- Oppose efforts by Congress to preempt state-adopted renewable portfolio standards. Congress should recognize the work done by the states and defer to state approved standards. Each state is unique and has unique resources that should be accounted for. A one size-fits-all national approach could lead to dramatic



WHY?

In 2008, the Michigan Legislature adopted a comprehensive energy plan for Michigan. The new laws set the framework to address Michigan's energy needs, including construction of new generation, upgrades of transmission, enhanced energy efficiency programs, a robust renewable energy build and the establishment of cost-of-service rates. In 2009, the Legislature should closely monitor the PSC to ensure that the new laws are being properly implemented. The Legislature must be responsive to any new information or issues that arise.



ENERGY & TELECOMMUNICATION POLICY

ISSUE: Overregulation of Michigan's Telecommunications Industry

CHAMBER MEMBERS ADVOCATE:

- Support the premise that private sector deployment and ownership of technologies is the most efficient manner of delivering services to customers.
- Eliminate existing state and local laws or regulations that discourage or delay deployment of technologies without substituting excessive regulation at one level for overregulation at the other level.
- Support the principle that a level regulatory structure among all providers – wire-line, cable, satellite and wireless – be competitively and technologically neutral.
- Oppose state net neutrality or net regulation legislation. State government should not regulate the provision of internet service due to its national and international nature. Telecommunication markets should be driven by advances in technology, competition between telecommunications companies and consumer choice, not by government regulation.
- Oppose new taxes or excessive fees on the infrastructure needed to provide broadband services, video, telecommunications or other new technologies.
- Support funding 911 services through general revenues

instead of user fees. Any 911 user fees collected must go to support 911 services. Government entities receiving fee dollars must provide a defensible workload analysis.

- Support the proposition that 211 services continue to be locally funded.

WHY?

State government's primary role in this rapidly changing and increasingly important area of economic activity should continue to be fostering competition and encouraging private sector development of Michigan's telecommunications infrastructure by maintaining a minimum level of regulation that is applied fairly to all providers.

LAWSUIT ABUSE POLICY



ISSUE: **Prevent Lawsuit Abuse**

CHAMBER MEMBERS ADVOCATE:

- Protecting current Michigan laws pertaining to general tort, medical liability, consumer protection and products liability, including Michigan's FDA Defense law. Supporting reforms, such as limitation on attorney fees and loser pay, which ensure Michigan's Civil Justice System is fair and balanced.
- Preserving Michigan's No-Fault insurance system and opposing attempts to reduce the tort liability threshold or increase the benefit or coverage thresholds.
- Supporting the shift towards alternative dispute resolution that has lessened the burden on the legal system and brought parties together to work out their problems without the expense of litigation.

WHY?

In general, medical and products liability reforms that were enacted by the Legislature in the 1980's and 1990's have been effective in bringing reliability and balance to our legal system by curtailing lawsuit abuse, helpful in retaining physicians to practice in Michigan, and have focused court and financial resources on legitimate case.

Given Michigan's reputation as a leader in the national legal reform movement, the Saginaw County Chamber believes we cannot afford to turn back the clock and should instead proactively work to strengthen and improve the state's civil justice system. For similar reasons, the Saginaw County Chamber is opposed to any legislation attempts to erode Michigan's No-Fault insurance system. We believe the state's No-Fault law combines comprehensive personal injury protection benefits with the most effective limitation on tort liability of any no-fault law in the nation.

TAX POLICY

ISSUE: Champion Government Efficiency and Reform

CHAMBER MEMBERS ADVOCATE:

- That the appropriations process should not drive tax policy decisions
- Opposing tax or fee increases as the means to balance the state budget.
- Supporting efforts to improve government operational effectiveness
- Maintaining legislative oversight of state spending and user fees. Oppose constitutional or statutorily authorized automatic annual increases in state spending and user fees
- Providing tax relief that benefits a wide class of taxpayers
- Supports a state constitutional amendment to cap total state spending at not more than 96% of total estimates revenues.

WHY?

The Saginaw County Chamber of Commerce strongly believes the best way to control the cost of government is to improve government efficiency, implement cost-saving reform measures and reduce spending instead of new taxes, tax increases or fees. Despite repeal of the Single Business Tax (and replacement with the Michigan Business Tax), Michigan continues to be uncompetitive in its business tax burden. Michigan must foster economic growth by allowing taxpayers to keep more of the money they earn and by providing a more competitive tax climate to encourage savings and investment.

TAX POLICY



ISSUE:

Create a Competitive Business Tax System

CHAMBER MEMBERS ADVOCATE:

- That the state should move decisively to reduce the burden of hiring workers and investing in Michigan and consider dramatic changes in the tax structure that would accomplish this goal.
- Complete repeal of the MBT 'surcharge' for all industries.
- Modify the definition of Gross Receipts in a way that eliminates inappropriate items from the tax base.
- Oppose aggressive interpretations of the statute that result in a narrowing of available credits or deductions, or expansion of the tax base.
- Modify the deduction for purchases from other firms for the purposes of simplification.
- Change Michigan Individual Income Tax apportionment provisions and sourcing rules to be consistent with single factor (sales), benefit received sourcing and no throwback as in the Michigan Business Tax Act.
- Promote good tax policy and administration by providing penalty relief.
- Oppose a graduated personal income tax.

WHY?

The new Michigan Business Tax has some positive features: personal property tax relief for manufacturers, commercial, and telecommunications providers, as well as incentives for hiring employees and purchasing equipment. Yet, despite these positive aspects, the new MBT is proving to be as complicated and burdensome as the SBT, if not more. Furthermore, unreasonable inclusion of certain receipts, aggressive interpretations of the law and double taxation of income will keep some businesses from relocating or expanding to Michigan. In addition, Michigan's flat-rate personal income tax is considered competitive compared to most states. Imposing a graduated income tax would remove this competitive advantage and discourage Michigan residents from living, working and saving here

TAX POLICY

ISSUE: Reduce Michigan's Property Tax Burden

CHAMBER MEMBERS ADVOCATE:

- Eliminating the personal property tax for all taxpayers.
- Protecting the new personal property tax relief contained in the MBT by opposing efforts by the state and assessors to re-classify property for all taxpayers.
- Local units of government should provide the maximum amount of notice possible when mailing assessment notices to property owners and the Board of Review should provide for hearings each week during the statutory time period allowed.
- Preserving, protecting and expanding upon the reforms of Proposal A and the Headlee Amendment and opposing measures that circumvent the intent of these voter-approved tax limitation amendments.

WHY?

Michigan must continue to make personal property tax relief a priority. This tax on business machinery and equipment, furnishings, and office equipment is an administrative burden and a disincentive to capital investment, job retention and job creation.

Proposal A has been largely successful in its two fundamental goals; reducing out-of-control property taxes for school operating purposes and narrowing the gap between low and high spending school districts. However, Michigan's property tax burden remains high compared to other states. Michigan must not return to double-digit property tax increases by changing or circumventing the intent of Proposal A or the Headlee Amendment. Furthermore, the Headlee Blue Ribbon Commission examined the misuse of special assessments and recommended many of them be subject to various taxpayer protections.

TAX POLICY



ISSUE: **Sales, Use and Excise Taxes**

CHAMBER MEMBERS ADVOCATE:

- Opposing any further increases in the sales, use and excise tax rates on goods and services currently subject to tax.
- Oppose the levying of sales, use or excise tax by any local tax jurisdiction
- Action to resolve numerous problems with implementation of the Streamlined Sales and Use Tax Agreement and unreasonable audit practices.
- Oppose efforts by Michigan Department of the Treasury to transition Michigan from a “vendor liability” state into a “consumer’s liability” state.

Support changes to allow taxpayers to obtain refunds of overpaid sales tax from the state.



WHY?

Michigan's sales tax continues to provide a substantial source of revenue to state government, especially since voters approved a 50% increase in the Michigan sales tax rate as part of Proposal A. We believe that any increase in the sales tax rate, expansion of sales tax to services or allowing local jurisdictions to levy sales, use or excise taxes, will hurt our state's economic competitiveness, encouraging individuals and job providers to purchase goods and services outside of Michigan. Furthermore, Michigan's entry into the Streamlined Sales and Use Tax Agreement must be continually monitored to ensure Michigan's deductions, exemptions and operational framework are not sacrificed in the name of nationwide uniformity and simplification.

TAX POLICY

ISSUE: Strengthen Taxpayer Rights

CHAMBER MEMBERS ADVOCATE:

- Oppose retroactive tax increases resulting from law changes, changes in policy or court decisions.
- Support a provision for interest to be paid on overpayments in the same manner and at the same rate as interest is currently assessed on underpayments.
- Eliminating the requirement that taxpayers must pre-pay disputed non-property taxes if they are seeking redress in the Court of Claims.
- Improving taxpayer access to the Department of the Treasury policies and rules that generally communicate policy and statutory interpretations and opportunities for interactive dialogue between Treasury and taxpayer advisory groups.
- Oppose the use of third-party auditors, whether flat fee or contingent fee. The use of these types of auditors presents a conflict of interest, poses serious questions of confidentiality, due process and equal protection under the law.
- Allow taxpayers and Treasury to settle, negotiate and compromise tax disputes, including, but not limited to, mistakes, errors and omissions, at the administrative level with appropriate safeguards prior to going to court.
- Advocate legislation to clarify Michigan's statute of limitations.

WHY?

Both the tax burden and the manner in which tax laws are enforced are critical to improving Michigan's competitive standing. Unfortunately, Michigan is often perceived as being a difficult tax 'environment' within which to conduct business. This can negatively influence the decisions to locate, retain or expand jobs in Michigan. Removing obstacles to tax administration fosters compliance. Predictability and fairness are the backbone of a cooperative tax environment.