

LEGISLATIVE REVIEW

Greater Manchester Chamber of Commerce Government Affairs Committee Report

2008 Legislative Session: A Year in Review

Advocating For Your Business

A Message from Sean Owen

The 2008 legislative session is in the books and the Greater Manchester Chamber of Commerce (GMCC) was once again on the front lines fighting for your business interests. In economic times such as these the business community must now more than ever remember the creed, "There is strength in numbers." This is where the GMCC Government Affairs Committee (GAC) enters the picture. The GAC is a dedicated group of Chamber volunteers that serves as a "watchdog" on legislative issues that impact your bottom line. The GAC is part of an entire department at the GMCC dedicated to improving the economic opportunities available within the greater Manchester region and advocating on behalf of your interest to policymakers at the federal, state, and local levels.

In order to be successful, however, we need your help and guidance. The GAC is always on the lookout for new volunteers interested in protecting the interests of the business community. We also need your guidance and input on what issues are important to you and your business. Our number one priority is to ensure our advocacy work is in line with the concerns and interests of the Chamber's membership. Please do not hesitate to contact Michael Skelton, Chamber VP of Economic Development and Advocacy at (603) 792-4107 to volunteer on the GAC or just to let us know your thoughts and concerns on pending business issues. You do not have to have government or political experience, as a strong committee represents knowledge and leadership across many industries.

The 2008 legislative session proved to be every bit as challenging as past sessions and was filled with both great successes and some disappointments as well. The GAC tracked and weighed in on several dozen important pieces of legislation. This report will highlight some of the top issues the GAC weighed in on during the 2008 session, including the creation of a rail liability cap, education funding, and healthcare. In addition to these top legislative issues, the GAC remained committed to its perennial objectives of defending the business community against attempts to raise business taxes and fighting legislation that would place restrictive prohibitions that exceed federal mandates.

As you will see, the GAC had a successful year in the legislative arena and that means good news for every business in the greater Manchester region. The GAC's work is

never done and the 2009 session is right around the corner. We understand that you, as a business owner, cannot always be in Concord defending your right to operate a business in the most competitive manner possible. That's why the Greater Manchester Chamber of Commerce is here, and we're proud of our achievements this year on your behalf. Please take a few minutes to read this report and familiarize yourself with our Government Affairs Committee's efforts and rest assured that we will be hard at work on your behalf as the 2009 legislative session arrives.

Sean Owen
Chairman, GMCC G.A.C.
Wedü



Rail Liability Cap

For the past two years the restoration of commuter rail to New Hampshire has been one of the Chamber's top five strategic goals. As part of this effort, the Chamber has continued to dedicate significant resources to aiding the progress of the rail project in state legislature. Following up on the successes of the 2007 session, where landmark legislation creating the NH Rail Transit Authority was passed, the GMCC and fellow stakeholders once again strongly advocated for and aided the passage of critical rail legislation.

HB 1404, relative to liability insurance for passenger rail service, passed both the House and Senate and was signed by the Governor. This critical piece of legislation clears

the way for commuter rail to become a reality in New Hampshire within the next 5 to 8 years. HB 1404 creates a \$75 million dollar liability cap on all commuter rail services in New Hampshire operated by the NH Rail Transit Authority. Without a liability cap in place, the costs of insurance premiums needed to operate rail would have crippled the proposed rail system's operating budget.

While the bill passed both legislative bodies relatively easily, some lawmakers and interest groups did express concern this bill could impact the ability of a victim(s) of a rail accident to collect fair compensation if injured. Research has shown, however, that major rail

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Healthcare

Without fail the rising cost of healthcare was once again on the minds of business leaders heading into the 2008 legislation session. In response to a flurry of healthcare mandates passed in 2007, the GAC established a policy position of opposing all benefit mandates in 2008.

Healthcare benefit mandates require a healthcare insurance carrier to cover certain types of procedures, treatments, or illnesses. Proponents argue that by covering these particular ailments, consumers will become healthier as a group and treatment will cost less. This in turn is supposed to lower long term health care costs. These purported long term savings, however, never seem to materialize. In fact, studies suggest mandates drive up health care costs due to extra costs of the ailments or procedures that need to be covered. This in turn only exacerbates the healthcare insurance affordability issues that plague small businesses and force more employees into the ranks of the uninsured. While fewer mandates made the cut in 2008, a new one covering the cost for obesity treatment did pass. The GMCC, along with several other business organizations, opposed this legislation to no avail.

On the plus side, help might be right around the corner for small businesses struggling with health care costs. The Governor's HealthFirst proposal (SB 540) passed the House and Senate and may provide small businesses a new affordable option when selecting a healthcare plan. The bill requires insurers to offer a new low cost plan that is tied to the average state wage. The plan includes wellness programs that are intended to improve the overall health of employees and lower long term costs. The GMCC opposed the initial version of this legislation and was pleased to see the House make significant improvements which will hopefully ensure the costs of this plan are not cost shifted onto medium or large sized employers. Stay tuned as an advisory committee appointed by the Governor is currently working on developing the details of this new plan.

In the separate arena of health care policy, the GMCC aided the defeat of HB 1587, relative patient health care information. HB 1587 would have enacted new excessive restrictions regarding the health records for all patients. While the GMCC agrees the privacy of all patients must be protected, there was no clear evidence showing the current HIPPA

privacy standards were not sufficient. Furthermore, these new restrictions would have negatively impacted the delivery and coordination of care between health care providers. Overall, the passage of HB 1587 would have led to a lower quality of health care and increased administrative costs while creating a major hurdle to implementing an electronic health record system.

Going Green & Rising Energy Costs: A Balancing Act

Few other organizations are more in step with the recent nation-wide "green" movement than the Greater Manchester Chamber of Commerce. In fact, just last year the Chamber created a first of its kind "Green Committee" to focus on promoting green business practices across the business community. The response and participation in this initiative has been nothing short of extraordinary as hundreds of Chamber members have lent their time and support to this growing initiative.

It's clear the business community is in tune with the serious issues threatening our environment, most notably climate change. Most stakeholders agree that the ideal solution to addressing this issue is a federal program. A regional approach to this issue, however, gained steam this past legislative session. The Regional Greenhouse Gas Initiative (RGGI) is a 10 state cap and trade program designed to reduce CO2 emissions from fossil fuel burning power plants. The program creates regional auctions where credits will be sold permitting power producers to emit certain levels of CO2. Revenues from the auctions will be used to create energy efficiency programs.

While addressing this issue is critical, the GMCC is concerned with the implications of this regional approach on the cost of energy. The regional auction system seemingly has no built-in safety measures to protect from speculation that could artificially drive up the costs of producing energy. Increasing the costs of producing energy will have dire consequences for our economy as it will hurt consumers, employers, and energy producers. Another lingering concern with RGGI is how the proceeds from the auctions will be distributed. The language in the bill was somewhat ambiguous and it will be up to policymakers in

Education Funding: Another Year, Another Stalemate

Real progress on the education funding issue was dealt another blow this year as the House failed to pass a constitutional amendment. The GMCC and several other business organizations strongly supported CACR 34, a bipartisan amendment that would have allowed the state to target its limited education aid to those communities that need it most.

While the outcome was disheartening, believe it or not there is some silver lining to be found in the defeat of CACR 34. Firstly, the issue of resolving how to effectively and efficiently fund education has unified and mobilized the business community. The GMCC is proud to stand shoulder to shoulder with several other organizations on this issue

Going Green *cont.*

Concord to determine how to apportion those funds. The GMCC and other business organizations will keep a close eye on this issue to ensure these funds are used for their intended purpose of reinvesting in energy efficiency.

Being proactive in addressing climate change and other environmental issues is critical to our future. However, we must ensure our approach balances the concerns of the business community and the environment in order to preserve our economic vitality. The true impact of RGGI will be determined in the coming months and the GMCC will be watching closely.

Rail Cap *cont.*

accidents occur with very little frequency and rarely exceed \$75 million dollars in damages. This cap, in fact, was modeled after Massachusetts law which gives the MBTA similar protection. During the time this law has been in place the MBTA has never come close to exceeding \$75 million in claims despite operating an extensive rail and bus system.

With the NH Rail Transit Authority up and running and a rail liability cap in place, commuter rail is well on its way to becoming a reality in New Hampshire. With it commuter rail will bring safe and efficient travel options, de-congesting of our road systems, and perhaps most importantly expanding economic development opportunities to Southern New Hampshire. The GMCC was proud to play a role in aiding the commuter rail project thus far and looks forward to continuing to support it in any way possible.

and will continue to do so. The GMCC coordinated a volunteer phone bank the night prior to the House session and reached over 100 legislators in the greater Manchester area. It may not have quite sunk in yet but legislators are starting to get the idea that education funding is no longer a “State House” issue that is disconnected from the public. The business community is highly in tune with this issue and the potential outcomes and will continue to demand progress. Soon enough (and with a little help from the business community) perhaps the general public will take a more active interest in this issue and let their voices be heard. It’s clear that legislators need to hear directly from their constituents on this issue, not just from business associations like Chambers of

Commerce.

Secondly, supporters of a constitutional amendment can take some solace in that many Republicans and Democrats seemingly agree that the ability to target aid to communities that need it most should be the foundation of any constitutional amendment. While this perhaps make the defeat of CACR 34 even more frustrating, it illustrates common ground where two sides who have been so far apart on this issue for so long can attempt compromise again. In summary, while this recent defeat stings, there is always hope for future progress. Regardless of the odds or how cynical we become after years of defeat, organizations like the GMCC will continue to highlight the need to resolve this issue.

Legislative Potpourri: Other 2008 Issues of Note

The 2008 Legislative session, of course, featured several other important issues which we can’t mention at length. Here is a brief rundown of some of 2008’s other key legislative issues:

State Economic Development Advisory Council - The passage of SB 394 will create a new statewide economic advisory council that will advise the NH Dept. of Resources and Economic Development on current economic development issues and will provide a resource and vehicle for the state to engage in long range economic planning at the state level. The bill passed both the House and Senate relatively easily. The GMCC supports this measure as any effort to engage in economic development planning at the state level is a smart and logical step forward for New Hampshire.

Hazardous Material - HB 1594 would have implemented a bevy of new reporting requirements and created a new tax that applies to the storage of hazardous material. The GMCC agrees with ensuring that hazardous material is properly and safely stored. This bill, however, implemented reporting requirements that are unnecessary and would have increased business costs for some businesses. Additionally, the bill created a tax to fund regional hazardous material teams. While these teams may be needed, it is not equitable to fund them solely from business taxes when they serve the entire state. HB 1594 passed the House but the Senate stripped the bill of the reporting requirements and tax and amended it into a study commission.

Workforce Housing - SB 342, a comprehensive bill focused on workforce housing, set out to address three issues: (a) the definition of workforce housing, (b) requirements of communities to provide opportunities for the development of workforce housing, and (c) creation of an expedited appeals process. The GMCC supported this bill out of concern for the rising cost of housing facing young professionals and young families. Without adequate housing options, New Hampshire faces the prospect of losing its current and future workforce to other parts of the country. SB 342 seemingly enjoyed consensus support from all stakeholders for most of the session. Concerns over whether the bill unfairly removed local planning control, however, were raised late in the session. Some changes made to the bill address these issues, however many stakeholders remain concerned. The GMCC remains supportive of the intent of this legislation and plans to play an active role going forward in seeing it is implemented seamlessly and with buy in from all stakeholders, including the planning community.

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2008 ECONOMIC RECAP



The past year was a busy one for the Greater Manchester Chamber of Commerce's Department of Economic Development. The Chamber oversaw a number of programs, events, and initiatives aimed at improving the economic infrastructure of both our community and our region.

Regional Economic Development Remains a Focus - As the greater Manchester region continues to grow and develop, the importance of regional cooperation and communication remains great. Metro Center-NH was launched in 2005 by the Greater Manchester Chamber of Commerce to fill this precise role and continues to ably do so today. The past year has been an exciting one for Metro Center-NH with several major accomplishments.

Annual Municipal Leadership Forum - Metro Center-NH hosted the 3rd Annual Metro Center Leadership Forum this past June at the New Hampshire Institute of Politics. The Forum brought together over 100 municipal officials and business leaders from across the region to discuss the future of the region. The Forum featured a screening of the new documentary "Communities & Consequences," which focuses on the dangerous trends we are seeing within New Hampshire's demographics and its relationship with housing availability.

Metro Center-NH Strategic Planning - Metro Center-NH is in the process of

completing a year long strategic planning process that is shaping the future vision and goals of the organization. The process has involved dozens of interviews with regional, municipal, and business leaders and several roundtable strategy sessions. The end result of this process will be a long term strategic plan that will dictate the future growth and development of the Metro Center-NH initiative. With this long-term plan in place, Metro Center-NH will be better equipped to effectively serve the municipalities of the greater Manchester region and to promote the Metro Center as a great place to live, work, and play to businesses across the country. In addition to the creation of a long term plan, this strategic planning process will result in a more organized and more formally structured organization. Through better organization and the establishment of a formal governing body, the Metro Center will be better suited to fulfill its slogan of "empowering progress."

Housing Coalition Gaining Momentum - While the Metro Center steering committee was busy with strategic planning, the Metro Center Housing coalition was doing some planning as well. The coalition was awarded a grant last spring from the NH Housing Finance Authority and hired Jeff Taylor of JHT Planning to conduct a series of roundtable work sessions. These sessions helped formulate a short and long-term work plan for the coalition which is being implemented currently. Expect to hear more about this shortly from the Chamber and look out for a GMCC sponsored housing-themed event this winter.

GMCC Economic Forecast Luncheon - The GMCC was also happy to partner with the Business and Industry Association on this year's Economic Forecast Luncheon in September. Eric Rosengren, Chair of the Boston Federal Reserve Bank, served as the keynote speaker.

For more information or to get involved with the Chamber's Economic Development and Advocacy initiatives please contact Michael Skelton at michaels@manchester-chamber.org.

Legislative Potpourri *cont.*

State Budget Concerns - As the national economy hit a rough patch in 2008, watching the state budget became an increasingly worrisome pastime. Due to slowing home sales, high energy prices, and underperforming tax revenues the budget quickly found itself in a growing deficit. The Governor and legislative leaders addressed the issue for 2008 through a variety of spending cuts and revenue increases (cigarette tax). The budget situation for 2009, however, appears to be dire. Some forecast the budget hole to be as large of \$150 million. The GMCC and other business organizations must remain vigilant heading into 2009 as this situation develops. Some policymakers will undoubtedly suggest the creation of new or increased business taxes.



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