

LEGISLATIVE REPORT

Greater Manchester Chamber of Commerce

2006 Legislative Session

Government Affairs Committee Report

Advocating For Your Business

A Message from Mike McCluskey

With an ever growing membership of 1,000 strong, your Greater Manchester Chamber of Commerce is the largest business advocacy organization in the state. There truly is "strength in numbers" and the work done by the Chamber this past year is a testament to that creed. By combining your organization's resources with the Chamber's strength and expertise, we garner the power to fight hard for the issues that most affect your bottom line. As you may know, a whole department at the Chamber is dedicated to economic development and government affairs. This department provides valuable services to Chamber members by advocating for their interests by representing them in front of the legislature.

The Chamber's work in this department is conducted through the Government Affairs Committee, which is comprised of Chamber staff and Chamber members. We monitor and track legislation, proactively research viable options, and present the positions that best serve our members' interests. This past year, the Government Affairs Committee was incredibly busy and very successful on your behalf. We are proud to highlight just a few of our victories in this Report, and outline positions that we took on your behalf throughout this past year that protected your company's profits, benefits and future business potential.

In 2006, the Government Affairs Committee tracked and weighed in on several important pieces of legislation. Those pieces of

legislation were: 1) identity theft, 2) a statewide ban on smoking in restaurants and bars, 3) RFID tracking devices, and 4) healthcare purchasing alliances. In addition, the GAC continued to advocate for two of its long term strategic goals. These goals are lobbying for the expansion of commuter rail into Southern New Hampshire and lobbying for the statewide adoptions of flexible building codes for private developers to renovate historic and existing buildings. This report will detail how the Chamber and GAC fared in monitoring and lobbying on these issues during the 2006 legislative session.

In addition to strategic goals for 2006, the Chamber remained committed to its perennial objectives of defending the business community against attempts to raise business taxes, fighting legislation that would place restrictive prohibitions that exceed federal mandates, and continuing the fight for affordable health insurance for business owners with employees.

As this Report will show, the Chamber had a successful year in the legislative arena, and that means good news for each of our Chamber members. A look at anticipated issues for the upcoming legislative session identifies several issues that will impact the business community. 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 we're 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 2007 legislative session arrives.



Mike McCluskey
Chairman, GMCC G.A.C.
McLane, Graf, Raulerson &
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Identity Theft

HB 1660, in its original format, required any business that retains financial data on its customers to immediately notify each of its customers if this private information is breached. While the Chamber and our members firmly believe that the protection of our citizens against identity theft should be at the forefront of our consciousness, this bill attracted close scrutiny from many business interests, including the Chamber of Commerce.

On the surface, this bill had many merits, however, after taking a closer look at HB 1660, we found some troubling mandates that would place a large burden on many of our members who maintain the financial records of their customers.

The two main concerns prompted by the original bill are as follows:

1. The triggering mechanism for reporting the

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Identity Theft *cont.*

breach of personal records.

2. The timeframe required for reporting the breach of information to customers.

HB 1660 would have imposed very strict parameters around the triggering mechanism requiring business owners to notify their customers. The determination of what is a breach was very restrictive in the original language of the bill, requiring reporting standards that would force businesses to report breaches even in instances where no information was stolen. This would have been costly in both time and money to our local businesses, taking up manpower, reducing efficiencies and costing the business revenue. The Chamber worked closely with legislators to draft new language that loosened up the parameters of the bill and further clarified the triggering mechanism required for notification.

The Chamber's second concern related to the timeframe required for reporting a breach. In the original language of the bill,

business owners were required to immediately ascertain the severity of a breach and whether or not the information would be misused. After this determination, the business would have three days to notify its customers. The Chamber found the three day deadline to be too short. Often it may take more than three days just to determine if a breach was intentional or has the potential for misuse. The Chamber successfully lobbied to amend the bill's language and extend the deadlines for notification to one month from the date of breach.

As a result of our successful efforts, the current law states that a "good-faith acquisition" of information is not to be considered a security breach, and the notification of a breach shall be made "as quickly as possible." We are confident that our efforts on this bill will have a positive impact on both our member organizations, as well as the citizens of New Hampshire.

Smoking Ban

The issue that garnered much of our focus during this past legislative session was HB1177, the statewide smoking ban. This bill, aimed at prohibiting smoking in bars and restaurants, was endorsed by an overwhelming number of Chamber members, all of whom recognize the significance of this bill in promoting a healthy and safe environment for New Hampshire's workforce.

This bill impacts our members in many ways. Many studies have shown the dangers posed by the harmful toxins in secondhand smoke, as well as the debilitating effects those toxins have on people who inhale them on a regular basis. Studies have also shown that smoking bans in other states and metro areas have had no effect on local sales, job growth or income for local businesses. Whether it be protecting both the health of employees and the general public or promoting our city and state as a healthy, family-friendly place to live or visit, this bill was aimed at creating a positive atmosphere for our businesses. This bill does not take away a person's right to smoke, it just limits the areas in which one may do so in order to protect the health of our citizens as a whole.

Currently, New Hampshire is the only state in Northern New England that has yet to pass legislation protecting its citizens from secondhand smoke in the workplace, and, more specifically, bars and restaurants. As a state that relies heavily on the travel and tourism industry for revenue, we are at a significant disadvantage with our neighbors who are competing for the same tourism dollars. This bill is a great opportunity for our state to show our visitors that we care about the health and welfare of the individuals and families who live, work and play in New Hampshire.

Although HB1177 passed the House of Representatives with considerable support, it met great opposition in the Senate. Despite strong lobbying efforts and constituent support, the bill did not pass. We are proud, however, of the progress we made on this issue. As leaders in our community, it is our duty to ensure the health and welfare of our fellow citizens to the best of our abilities, and we will continue to work on behalf of our members to see this bill signed into law during the 2007 legislative session.

Tracking Devices

HB 203, a consumer privacy protection bill, was introduced during the 2006 legislative session. The bill, as written, would have far-reaching consequences for many of our members who use or are considering the use of RFID technology.

The Chamber joined forces with several other organizations and business interests to push for amendments to this bill. In its original format, the bill required any business using RFID technology to affix a warning label to all products and packaging indicating that RFID technology was in use. In addition, the bill contained severe penalties for any business owner who failed to comply, including misdemeanors, felony charges, and civil penalty fines of up to \$10,000.

The acronym RFID stands for “radio-frequency identification,” and is used to describe a number of technologies that use radio waves to identify and track items throughout the supply chain process. This is a fairly new technological invention that has the potential to revolutionize the way products and financial/personal information is stored and tracked, increasing the efficiency and effectiveness of the manufacturing, distribution, and sales process.

RFID has many benefits for businesses and has already been implemented in many businesses throughout New Hampshire. Through the use of electronic codes inventory is easily and efficiently tracked. It can aid in everything from tracking product sales and distribution to managing product recalls. Essentially, with RFID, there is a continuous monitoring and control of products as they move throughout the supply chain, allowing our businesses to increase revenues, while cutting down on waste.

The Chamber and our members opposed this bill for many reasons:

1. No other state requires a universally recognized symbol and label for RFID-related products.
2. There is no official universally recognized symbol and label for these products.
3. The technology is far too new to begin establishing preemptive restrictions.

This bill would dramatically increase costs for those businesses importing products from outside of the state, requiring them to inefficiently affix warning labels very late in the supply-chain process. In addition, these symbols, while mandated in New Hampshire,

Local Initiatives

Adopt-A-Spot

A clean and welcoming downtown is one of the many tools our community can utilize to encourage and generate further economic growth. That is why the Greater Manchester Chamber of Commerce Downtown Committee has worked diligently this year at advancing the Adopt-A-Spot initiative. This program is aimed at beautifying the city’s commercial and residential areas by leveraging public-private partnerships with local businesses and community groups.

The Adopt-A-Spot program provides businesses and organizations the opportunity to sponsor a site of their choosing that is in need of beautification. The sponsor organization can landscape and maintain the site to their desire, while displaying an official Adopt-A-Spot sign recognizing them for their efforts. By exhibiting pride in and ownership of their community, local businesses, community leaders, and civic organizations will continue the revitalization of our downtown.

Maintaining, strengthening and revitalizing the physical aesthetics of Manchester’s historic downtown is one of the key factors in sustaining our economic growth and the quality-of-life that will bring Manchester to the next level in years to come..

Granite Street Expansion

The Greater Manchester Chamber of Commerce, along with federal, state and local officials as well as private businesses, has been instrumental in the I-293/Granite Street expansion project. This \$28.7 million project is aimed at improving the traffic flow along the I-293 corridor in Manchester and making our downtown more accessible. By reducing traffic congestion in the area we not only increase the safety on our roadways but we create a welcoming gateway for visitors and residents of our surrounding communities.

The Granite Street project consists of six main elements:

1. The replacement of the existing turnpike bridge over Granite Street to accommodate the widening of the road, as the existing bridge was deemed both functionally and structurally deficient.
2. Reconstruction of the I-293 roadway.
3. Reconstruction of the existing Exit 5 interchange into a single Point Urban Interchange.
4. Reconstruction of the existing northbound off-ramp and southbound on-ramp at Exit 5.
5. The addition of a southbound off-ramp and northbound on-ramp at Exit 5.
6. The construction of a downtown gateway with ornamental streetlights and brick sidewalks.

The creation of a more accessible, safer and aesthetically pleasing entrance to downtown is imperative to Manchester’s continued growth and economic success.

would not necessarily be recognized by other states and countries.

In the end, the Chamber lobbied for the creation of a special commission to explore the use and implications of RFID technology. This commission will report to the legislature during the 2007 session with recommendations regarding the use and regulation of RFID technology in New

Hampshire. We felt that this compromise was the best outcome for both our business owners and the citizens of New Hampshire as it allows our business owners to continue shipping and tracking their products in an effective and efficient manner, while still exploring potential privacy issues that could arise from the use of this technology.

2006 ECONOMIC RECAP

Economic Development Studies

Consistently ranked as one of the best cities to live in the United States over the past decade, and recognized for its great economic potential, Manchester has undergone an amazing economic and physical revitalization since the early 1990's. In order to ensure that we, as a city, can continue this amazing transformation from a struggling, post-industrial community into a destination city, your Chamber, along with city officials and other civic organizations worked in conjunction with Angelou Economics and Hillier Architecture on two major economic development studies this past year.

The "Global Economic Development Strategy," presented by Angelou Economics, provided an in-depth analysis of the current state of our city, as well as insight and recommendations to help Manchester find its niche in today's global market. This detailed study focused on five specific areas on which Manchester must focus to reach its full economic potential: Business Climate, Sites & Infrastructure, Education & Workforce, Quality of Life, and Economic Development & Marketing. The study provided many strategies that Manchester can use to create new opportunities for itself and to enhance the ones that currently exist.

The study provided by Hillier Architecture provided a blueprint for the development of downtown Manchester into a place that is attractive for businesses, residents, and tourists alike. With the development of lands and the redevelopment/refurbishment of certain buildings throughout the downtown, the Hillier study created a model for

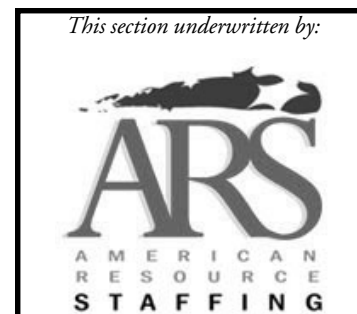
Manchester to become more competitive with similar cities throughout the United States. Included in the study was the development of retail and nightlife centers that utilize many of our historic buildings, the creation of affordable workforce housing throughout the downtown area, an allowance for green space throughout the city, and the preservation of many of our cultural and historical landmarks.

Both the Angelou and Hillier studies show that Manchester has a great opportunity to position itself for future prosperity, growth and competitiveness in the ever-changing global marketplace. Ultimately, both of these studies illustrate Manchester's potential to be a great city to live, work and visit. The Greater Manchester Chamber of Commerce was proud to play an integral role in the development of these studies, and is excited to work with city officials and the business community to achieve the goals outlined in both.

A Job Corps Center for NH

For the past three years the Greater Manchester Chamber of Commerce, elected officials and private businesses have worked to secure a Job Corps center for New Hampshire. A Job Corps center will have a positive and significant impact on business owners and residents alike.

- Local employers will realize a new source of educated, skilled and employable workers. A New Hampshire Job Corps Center will offer up to 12 different high-growth, high-demand job training courses, from culinary arts to construction trades, with an emphasis on the areas of healthcare, high



technology and homeland security career paths.

- Local residents will see employment opportunities of approximately 120 full-time Job Corp staff, including faculty, administration and maintenance workers.
- Local businesses will see a return of approximately \$7-\$10 million spent annually by the Job Corps Center.

The Job Corps program has a strong impact on both the individuals who participate in the program and the community-at-large. By providing a skilled workforce, New Hampshire's businesses will continue to grow and thrive in the competitive global economy. In addition, studies have shown that Job Corps centers have aided their host communities in the retention of skilled workers, as well as played an important role in the reduction of high school drop-out rates.

A skilled and educated workforce is a key factor in attracting new business and industry to the area, as well as retaining and growing our existing businesses. This center will play a critical role in further broadening the industry base in Manchester and its surrounding areas, leading to a robust economy that is ripe with possibility.



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