



2004 LEGISLATIVE PROGRAM

Following is The Business Council's 2004 Legislative Program. It identifies priority issues to be addressed by the Committees and Councils during 2004.

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POLICY PRIORITIES FOR 2004

On pages two through eight are The Business Council's Policy Priorities for 2004. Following that are the priorities for The Business Council's Committees and Councils.

TAXATION

A top legislative priority for 2004 is to fight against business tax increases, and continue to push for increased efficiencies and cost reductions in state-financed programs. We will continue our efforts to adopt tax reforms that will dramatically improve the state's economic competitiveness.

Fight the "New Jersey" Package – In 2003, spending advocates pushed a proposal – based on 2002 New Jersey legislation – that would have more than doubled the state's \$1.8 billion corporate income tax. Components of that massive tax hike proposal included: an alternative minimum tax that amounted to a gross receipts tax on all corporations (\$400-\$460 million); "worldwide combination reporting," which would force New York's global companies to pay taxes that they or their subsidiaries earned out-of-state and overseas (up to \$400 million); and decoupling with recent federal corporate tax reforms regarding depreciation (up to \$545 million).

Continue the State's Tax Reform Success – The Business Council has proposed tax reform/economic stimulus package that targets key economic sectors in New York State. It would:

- allow businesses to elect a "**single sales factor**" allocation for assessing corporate franchise tax liability, thereby providing a significant tax incentive for maintaining and adding employment and capital investments in New York State;
- make permanent the **investment tax credit for the securities industry**, a measure that will help promote redevelopment of lower Manhattan as a world center for the financial services industry;
- authorize an **expansion of certified capital companies**, or CAPCO's, which will make additional, private sector capital available for new investments in lower Manhattan;
- clarify the **tax treatment of charges for telecommunications** services aggregated or bundled with nontaxable telecommunications; and
- create **parity for all telecommunications carriers** in the application of existing Section 183 provisions regarding the taxation of dividends.

The "Fair Real Property Taxes" Act – The Business Council is advocating an expansion of the role of the State Tax Tribunal to include business challenges of local real property tax assessments. The Tax Tribunal, an independent office established to hear state-level tax disputes, has a proven record of rendering impartial and timely decisions. In contrast, challenges to local assessments can take years in State Supreme Court, and result in widely inconsistent rulings across New York State.

Manufacturers' Sales Tax Exemption. Energy used directly in manufacturing activity has long been exempt from state and local sales tax. However, this existing sales tax exemption does not apply to the full range of manufacturing uses of energy, and other important business energy uses.

The Business Council supports the extension of this sales tax exemption to:

- computers and software located within a facility that is used predominantly in the production of tangible personal property for sale by manufacturing, processing, generating, assembling, refining, mining or extracting.
- computers and software located within a facility that is used predominantly in research and development in the experimental or laboratory sense shall be exempt from the sales and use taxes imposed.
- sharpening drills, end mills, milling cutters, or any other type of tooling that is reconditioned.
- energy costs related to maintaining a controlled manufacturing, processing, assembling, generating, refining, mining, extracting, farming, agriculture, horticulture or floriculture environment, and makes energy costs associated with research and development in the laboratory.

ENERGY COST AND RELIABILITY

The cost, availability and reliability of electric power remains among the most important issues for Business Council members. The Business Council has a multi-faceted agenda that will promote lower costs and increased reliability within the state's electric power markets.

Transmission Upgrades – The 2003 blackout brought renewed attention to the need to have an efficient and effective transmission siting process in place, which together with other measures, would serve to encourage greater investment in New York's world class energy delivery infrastructure in order to ensure the continued reliability and security of the state's electric system. The Business Council is advocating a series of measures to promote additional investments, including: the use of existing NYSERDA funds to finance key interconnections within the state's power grid; through both federal and state legislation, increase the ability of transmission and distribution businesses to recoup their upgrade costs in a equitable and timely manner; reform the manner in which power transmission and distribution facilities are treated under the state's real property taxation laws.

Push Back on Regulatory Initiatives – The Business Council has targeted several regulatory initiatives that could have significant adverse impacts on the cost and reliability of electric power in the state. The most significant, and most immediate, of these is the "renewable portfolio standard," currently being developed by the Public Service Commission, at the directive of Governor Pataki. Under this proposal, 25 percent of the state's power generating capacity is supposed to be "renewable" (e.g., hydro, wind, solar) by 2013. The Business Council has joined with other business interests across New York State to urge the PSC to complete and review all impact assessments before moving forward with any renewable portfolio plan.

Other key regulatory initiatives being addressed by The Business Council include attempts to impose mandatory "real time pricing" on the state's power distribution system; an initiative to adopt regional limits on CO₂ emissions from powerplants (a measure that would severely impact our remaining coal-fired generating capacity); and an emerging policy to require costly "dry cooling" on power plants seeking water discharge permit renewals on the Hudson River.

Promote Siting of Additional Capacity – There is little disagreement that the state needs to develop significant in-state generating capacity. Unfortunately, the legislature allowed the state's comprehensive power plant siting law to expire at the end of 2002. While program reforms could expedite the approval of new plants, The Business Council and other business interests have supported a straightforward extension of the pre-existing Article X law. Unfortunately, extender legislation has been hung up primarily on calls for even more procedural requirements, and more rigorous environmental standards.

WORKERS' COMPENSATION REFORMS

Despite a decade's worth of improvement, workers' comp costs in New York remain significantly above national averages and continue to have a major impact on the competitiveness of the state's manufacturing community.

The Business Council's priorities include:

- Reducing state assessments that support the "second injury fund." This fund allows businesses to shift the cost of certain awards for previously-injured employees to a state fund financed through assessments on all employers. The Business Council has proposed lowering the assessment from 150 percent of the fund's prior year disbursements, minus net assets, to 110 percent of prior year disbursements. This change will produce an immediate \$100 million cost savings for New York State businesses.
- Reduce the cost of "permanent partial" awards by establishing scheduled awards for a broader range of permanent partial injuries (the Connecticut model) and/or by imposing a 500-week limit on benefits for partial disabilities not covered by statutory payment schedules. In New York, these cases account for just 12 percent of claims, but 77 percent of cost.
- Adopt objective medical guidelines to determine the degree of disability in permanent partial disability cases. The guidelines should consider both anatomic and functional disability in permanent partial disability cases and should provide a standardized, replicable method for physicians to use to determine comprehensive, whole person impairment percentages. Forty-six other states use objective medical guidelines, which ensure that medical providers evaluate similar cases using consistent criteria. In New York, different medical providers reach different conclusions about the extent of impairment in similar cases. This outcome helps make permanent partial claims the overwhelming reason for the high cost of New York's workers' compensation system.
- Reform provisions that impose absolute liability for construction and work site injuries on contractors and building owners, regardless of fault. New York State is the only state which imposes such a liability standard. Simply stated, a contractor or owner is liable for virtually any gravity related injury suffered by a worker on a job site -- even if an employee ignored company safety policies, or was intoxicated, drug induced or in the process of committing a crime when the injury occurred. Section 240-241 cases make up over 50% of all third party liability cases. Imposing a negligence standard would reduce costs significantly, as well as increase work site safety.

HEALTH CARE/INSURANCE COSTS

The Business Council has four health care priorities for 2004:

- Help employers drive system change at the local level.
- Advocate Medicaid reform that reduces the growth in expenditures and improves patient care.
- Allow small businesses to buy a foundation health insurance plan free of some of the costly state insurance mandates.
- Lastly (or first), do no harm.

Employers across the state are growing weary of double-digit health insurance increases. That's the clear message from respondents to our recent survey of New York State businesses. Nine of ten rank employee health insurance as having a high impact on company operations – the highest such ranking from a list of other cost concerns.

Medicaid Reform – New York's Medicaid program is too big and too expensive. It lacks the measurement tools that are common in any business and recommendations to reform the program invariably become stalled or fail altogether.

Our top two recommendations to a special Senate Medicaid Reform Task Force mirror what is common in the private sector: 1) the priority focus should be on Medicaid patients with chronic illnesses; and 2) harnessing information technology can improve decision-making.

Medicaid patients with chronic illnesses – Research has shown that a relatively small number of Medicaid patients account for a large share of the state's Medicaid expenditures. Disease state management, an approach that has solid footing in the private sector, promotes case management of high-cost, high-risk patients, such as those with diabetes and congestive heart failure. The result is better patient care and less variation in care delivered from region to region.

Harnessing information technology – Extensive data is collected about New York's health care system, much of it is readily available. It is powerful information, but not used to its maximum. Some systems still can not communicate effectively with each other due to a lack of common platforms. The state can help remove these and other information technology obstacles.

Supporting regional initiatives – We are pleased with the rejuvenated interest in the private sector to be involved in generating change at the local level.

Buffalo and Rochester have formal efforts to lower health care costs and improve health outcomes. Syracuse is well on the way to community involvement in health system change. Business leaders in Albany have shown interest in rallying around initiative as well.

Ideally, regional health care groups can unite employers, providers and insurers in reviewing health care programs and initiatives in their community. The goal is to improve access, quality and cost of the local health care system.

The Business Council needs to continue to engage the legislature in some areas of reform, whether to “first, do no harm” when it comes to mandates, government price-setting and “play or pay” taxation of employers or to develop a more affordable health insurance option for small businesses who are struggling with skyrocketing costs.

ECONOMIC DEVELOPMENT INCENTIVES

As we continue to hammer away on these across-the-board reforms, there are several targeted economic development programs of importance to Business Council members that we need to focus on in 2004.

Investment-based RPT benefit – Manufacturing continues to be the backbone of most regional economies in Upstate New York, and The Business Council believes that the state needs a more effective tool to promote and reward capital investment and job retention in the manufacturing sector. Since the primary focus of the state’s Empire Zone program – and especially with the enhanced benefits adopted in 2000 – is on job creation, it does not apply to many manufacturers that are continuously investing in their in-state facilities, but not increasing job levels.

The Business Council has proposed a refundable real property tax credit (modeled on the EZ program credit) that would be available state-wide to manufacturers that make significant capital investments and retain existing employment. Criteria would be: a capital investment that equals or exceeds 10 percent of the facility’s assessed value, or \$10 million, whichever is less (we believe these thresholds represent significant investment thresholds for both large and small manufacturers); and retention of at least 90 percent of the facility’s average employment base during the preceding five year period. The benefit would be a credit against state income taxes equal to the cost of real property tax payments on such property. In effect, this benefit would be comparable to the enhanced “QEZE” property tax benefit established for Empire Zones in the 2000 program amendments (see Article 14 of the Tax Law.)

Power for Jobs Extender. The “Power for Jobs” program provides reduced cost electric power to businesses that had significant power loads and that commit to specific job creation or retention targets. According to NYPA, savings average 25 percent, compared to generally available power rates. Many Business Council member companies, mostly manufacturers, participate in the Power for Jobs program.

The program was launched in 1997, as a “temporary” measure to allow for the development of retail competition in the electric power industry, and is set to fully expire in 2005, although many power allocations will begin expiring in early 2004.

Effective retail competition, which is dependent on a significant increase in in-state generating capacity, has yet to materialize in many areas of the state. Therefore, The Business Council supports another three year extension of the Power for Jobs program. The program was initially supported by low-cost NYPA Fitzpatrick power and gross receipts tax credits granted to participating utilities. Since neither of these sources will be available after 2005, The Business Council recommends that program financing come from a combination of corporate franchise tax credits, sales tax credits and/or NYPA resources.

Empire Zone Program reform – The Empire Zone program will be the subject of competing “reform” initiatives in 2004. The Senate will continue to push for the creation of additional zones, with the goal of giving county-wide (rather than municipality-specific) zone designation authority to every county in the state. The Assembly, on the other hand, will push legislation that would drive zone acreage – and zone benefits – back into a limited number of economically-distressed areas, and to impose more strict rules for disqualifying beneficiaries that fail to meet job creation and retention targets. The Governor is expected to introduce his own reform package, with a focus on controlling program costs which are nearing \$250 million per year. Earlier this year, the Governor proposed cutting state support for local zone administration, and requiring municipalities to finance fifty percent of the program’s enhanced real property tax benefits.

The Business Council shares the Governor’s concerns regarding program costs, and believes the state should adopt reforms that assure that Empire Zone benefits are awarded to locally significant development projects. For example, rather than having the state finance a 100 percent real property tax credit for all QEZEs, the state could offer a 50 percent credit to all QEZEs, and authorize local governments to opt-in to financing the remaining 50 percent of the credit on a targeted basis. Localities would be required to identify targeted industry sectors, in an approach similar to that currently required for the 495-b program. This reform would reduce the state’s cost of the current EZ program, and help direct enhanced credits to strategically significant investments.

High Tech Investments – Over the past five years, New York State has committed over millions to the support of high technology research and development, with the majority of these funds devoted to university-based research consortiums under the oversight of NYSTAR (the New York State Office of Science, Technology and Academic Research). The Business Council has been highly supportive of these research investments, arguing that they will be the key to shaping the state’s economic future. The Business Council believes that the state’s high technology priority for 2004 is the continued support, and full funding, of the financial commitments made to these NYSTAR centers.

ENVIRONMENT

While environmental regulations can certainly impose cost barriers to capital investment, in many instances the delays and uncertainties imposed by the environmental review process can have even greater adverse impacts on economic development efforts.

Effective Implementation of the Brownfield Act – Compared with brownfield programs adopted in many other state’s, New York’s new brownfield law contains significant uncertainty about project approval timetables and cleanup requirements. On the other hand, it contains fairly generous tax credits for the cleanup and redevelopment of brownfield sites. The Business Council will be working on several levels to promote the effective and efficient implementation of the state’s brownfield redevelopment program including: working with the DEC on key implementation aspects, including the development of use-based cleanup standards; working with the legislature to address technical deficiencies in the legislation that call into question important liability and tax credit benefits; and continue to push for legislative reforms that make both the state’s superfund and oil spill cleanup programs more fair, and more likely to result in pro-active, private sector cleanups. One of those is the repeal of a new tax on site-cleanup costs.

New Source Review – The U.S. Environmental Protection Agency has adopted several major reforms to its “new source review” and “prevention of significant deterioration” programs, which require extensive preconstruction review and enhanced emission control requirements on projects that could result in major increases in criteria air pollutant emissions (volatiles, nitrogen oxides, particulate matter, carbon monoxide and lead). Over the years, these programs have produced extensive body of federal and state regulations and guidelines, resulting in extremely complicated uncertain regulatory requirements – effective barriers to investments in power plants and manufacturing facilities. At present, New York State is involved in legal challenges against the federal reforms, and the availability of these reforms to in-state business is uncertain. The Business Council has been working with both the Department of Environmental Conservation and the Attorney General’s office on an implementation plan that addresses the state’s concerns about environmental protection and enforcement, while retaining the fundamental federal reforms for New York State businesses.

Expedited Project Review. Through combined statutory and regulatory changes, The Business Council is supporting measures to streamline and add certainty to the Department of Environmental Conservation’s project review process. These changes would apply to the DEC’s “uniform procedures” – its general rules for reviewing permit applications – as well as to its formal rules for conducting adjudicatory hearings on disputed permits. Specific reform measures include: clarifying the standard for when a permit application is “complete;” heighten the standard for adjudication of issues through permit hearing process; make comment and review timetables mandatory, absent good cause to extend them; establish the time period after an application is complete to conclude the application and hearing process; create a “fast-track” process for applications that meet certain criteria (e.g., replacement projects, pollution reduction, etc.); preclude SEQRA from exceeding established regulatory standards.

TAXATION

Staff Contact: Rich Schwarz

The overall taxation policy of New York State must be to reduce our tax burden, the highest in the nation, to a competitive level. To advance this policy, state and local government leaders must restrain spending. In addition to the specific taxation policies below, The Business Council believes it is essential that the state eliminate the 2003 tax increases on schedule, if not earlier.

Corporate Article 9-A Tax

Support

- Elimination of the increase in Article 9-A taxation -- occurring when jobs are located in New York-- through adoption of an elective "single sales factor" method for apportionment of taxable income.
- If a single sales factor option is not adopted, then exclusion of Research and Development and Manufacturing wages from the numerator of the payroll factor component.
- Clarify that receipts for advertising appearing in magazines and periodicals are receipts from the sale of tangible personal property for City of New York tax purposes.

Articles 21, 32, and 33 Tax

Support

- Reduction of the Highway Use Tax (ton mileage tax) by another 25% of its pre-1998 level and conversion of the remaining tax into a 50% increase in registration fees for trucks subject to the Highway Use Tax.
- Extension of the Investment Tax Credit to leased equipment and to insurance operations.
- Establishment of permanency in Article 32, Articles 32 and 33 ITC law, and in the Financial Modernization Rules.

Telecommunications Tax Reductions

Support

- Reduction of Section 186-e Telecommunications Utility Gross Receipts Tax to the lowest level possible.
- Removal of all telecommunications services from taxation under the Gross Earnings Tax (Section 184).
- Increased investment in New York by modernization of the Sales and Use Tax exemption on telecommunications equipment (Section 1115 Subdivision 12) to include ancillary equipment used in the provision of telecommunication services.

- Elimination of the §186-a Gross Receipts Tax on other income of telecommunication utilities.

Administrative and Miscellaneous Tax

Support

- Enforcement of the Tax Law at the distributor level in order to assist in alleviation of the tax evasion problem with Native American tribes who sell gasoline, cigarettes, other goods, and services, tax-free to non-Native Americans.
- Reduction of the Alcoholic Beverage Tax twelve cents per liter on liquors with less than 24% alcohol and thirty cents per liter on liquors with greater than 24% alcohol.

Real Property Tax

Support

- Adoption of a Tax Appeals Division as the trial court for Article 7 certiorari proceedings on parcels exceeding one million dollars outside the City of New York.
- Establishment of escrow payments of Article 7 disputed tax liability.
- Permission for the calling of the assessor for testimony in an Article 7 certiorari proceeding.
- Increase of the appeal period from 30 to 60 or 90 days.
- Limitation of the discrimination between "homestead" and non-"homestead" rates to 25% and a five-year "grandfather" phase-out for jurisdictions currently exceeding 25%.

Sales and Use Tax

Support

- Exemption of utilities needed to maintain controlled manufacturing and research & development environments.
- Exemption of materials transferred in the rendition of advertising services.
- Exemption of any portion of integrated hazardous waste removal, treatment, disposition, transportation, or similar services.
- Exemption of equipment or machinery used to reduce or control pollution from manufacturing and industrial facilities.
- Exemption of the "installation, maintenance, or repair" services on research and development equipment.

ENVIRONMENTAL CONSERVATION

Staff Contact: Ken Pokalsky

General

- Support legislation to amend (or repeal) the 2003 hazardous waste surcharges; at minimum, repeal fees for remedial wastes and hazardous wastes that are recycled.
- Support key amendments to the 2003 Superfund/Brownfield legislation, including: provide state liability release for brownfield projects that receive a "no remediation required" determination from DEC; clarify the definition of "residual contamination," to assure that *de minimis* contamination will not trigger additional cleanup/control requirements; adopt feasibility standard for "exposed soil" cleanups under Track IV; allow for the adoption of use-base standards based on both urban and rural background levels; fix and broaden the Navigation Law liability defenses; clarify the ability to identify temporary "upsets," and subsequent remedies, related to engineering and/or institutional controls, and others.
- Oppose "chemical facility security" legislation that imposes prescriptive facility assessment or security upgrade requirements and/or applies to an excessively broad universe of facilities.
- Support statutory and regulatory changes to streamline the DEC's project review process, including: clarifying the standard for when a permit application is "complete;" heighten the standard for adjudication of issues through permit hearing process; mandatory comment and review timetables; time limits concluding the application and hearing process; and a 'fast-track' process for applications that improve environmental performance.
- Oppose legislation that would impose *state-level* limits or mandates on emissions of greenhouse gases from utility and industrial sources or motor vehicles.
- Adopt tax credits to help offset the cost of "back end technology" necessary to bring electric power generating units into compliance with new stat standards for Nox and SO2.

Enforcement

- Support legislation and/or regulatory measures to encourage the use of environmental management systems, including incentives related to enforcement and penalties, compliance flexibility, regulatory oversight, and reporting requirements.
- Support legislation that allows the waiver (or reduction) of civil penalties in instances where minor violations are quickly identified, reported and remediated.
- Oppose legislation to allow taxing units to recover "damages" in instances where real property tax assessments have been lowered due to environmental violations.
- Oppose adoption of state-level "citizen suit" legislation.

Hazardous Materials/Hazardous Wastes

- Oppose new restrictions on the safe, lawful use of pesticides, such as mandatory phase-out of pesticide use, and state-level bans on federally-approved specific pesticide products.

- Oppose legislation that would impose restrictions on the use of specific chemicals or compounds in the manufacturing process, or impose new product labeling and/or product "takeback" requirements based on production materials.
- Oppose legislative or administrative reinstatement of solid waste "flow control" requirements at the local level; oppose legislation authorizing municipalities to "take title" to solid wastes that are left for collection for the sole purposes of mandating use of municipally owned or financed disposal facilities.

Small Business Assistance

- Support legislation that provides a FOIL exemption for material submitted to the Environmental Facility Corporation's multimedia compliance assistance program.
- Support legislation that makes small business environmental compliance efforts eligible for state financial assistance programs.

ENERGY

Staff Contact: Johnny Evers

The following list of priorities was adopted on Dec. 2, 2003. The Renewable Portfolio Standard (RPS), 2) Reauthorization of Article X, 3) Amending of Article VII, 4) Continuation/preservation of energy tax reductions/cuts and 5) Continued emphasis on energy infrastructure development in New York State (plants, transmission, pipelines).

RPS:

The PSC initiated the current proceeding after the Governor proposed the RPS in his 2003 State of the State message. Specifically, he directed the PSC to develop a standard that would require New York's businesses and consumers to buy at least 25 percent of their electricity from "renewable energy resources" (i.e. solar, wind, etc.) by 2013. The Committee stated that a recommended decision on the RPS by the PSC staff should not be issued before critical studies are completed with respect to cost, feasibility, and reliability. These matters are far too important to be treated as mere ancillary elements of the deliberations. Instead of a rush to judgment that presents the commission with a single up-or-down plan, the DPS staff should give the commission a range of options on what standard should be adopted, when, and whether it should be mandatory or voluntary and at what costs to consumers. It was therefore decided that the RPS be top priority of the committee in 2004.

Mission Statement:

Actively promote changes to the state's legislative, regulatory and tax structures to reflect increased competition in New York's energy industry, promote increased economic development, and expedite the siting and construction of new generation (e.g. under article X of the Public Service Law and in other areas) and other energy infrastructure facilities (e.g. Article 7 of the Public Service Law) and in order to realize the siting of at least 9,200 megawatts of new generation over the next five (5) years for competition and reliability purposes.

Tax Issues

- Oppose legislation that would repeal or delay currently enacted and scheduled energy tax reductions.
- Support legislation that would immediately eliminate Article 9 gross receipts taxes (§186-a of the New York State Tax Law) and the Natural Gas Importation Privilege Tax (GIPT) for all business customers (manufacturing and non-manufacturing).
- Support legislation that would accelerate the exemption from state sales taxes on natural gas and electric transportation service for all business customers.
- Support legislation that would insure property taxes levied on New York's energy corporations and generating facilities are comparable with other corporations within New York.
- Support legislation that would clarify existing law explicitly eliminating energy companies' service laterals from §102 of the Real Property Tax Law.
- Support legislation which eliminates the State's Petroleum Business Tax (PBT).
- Support the elimination of the PBT on petroleum products used for non-residential purposes -- electricity generation and heating.
- Support the elimination of the PBT on motor fuels (gasoline and diesel).
- Support the elimination of the PBT on kerojet fuel.
- Support the elimination of the annual indexing of the PBT.
- Support legislation which unifies all petroleum related taxes on motor fuels into one single excise tax, collectable on a per gallon basis.
- Support the elimination of special assessments on energy companies for funding state agencies.
- Oppose legislation which imposes or increases local gross receipts taxes and other taxes on utilities and their customers.
- Support elimination of state and local sales tax on the gas and electric commodity.
- Support legislation that would enforce the collection of taxes on motor fuel sales by Native American nations to non-native Americans.

Policy Issues**Electricity and Natural Gas**

- Support initiatives to facilitate the development of new electric generating capacity.

- Oppose regulations or legislation that would reduce SO₂, NO_x, CO₂, and mercury emissions from electric generating plants to levels that would result in increased energy costs for consumers. Any proposed emissions standards must not impose any adverse effects (cost or otherwise) on the business community, on other users of electricity, or on the economic development of the state -- including the retention and expansion of jobs.
- Oppose legislation that would allow a municipal corporation to recover damages for their costs in responding to power outages and other emergencies.
- Support the Power Authority's efforts to utilize low-cost energy for job creation; job retention; and job and capital expansion purposes. These allocations should be utilized for the maximum economic benefit allowable under current laws.
- Support legislation which continues allocation of low cost electricity available under the state's successful Power for Jobs program insuring provisions that providers and distributors are held harmless.
- Support legislation that would reimburse energy companies fully for the cost of relocating, supporting, and protecting facilities in conjunction with federal, state and/or local government infrastructure project such as state Department of Transportation projects.
- Oppose legislation which restricts emissions trading policy.
- Oppose legislation which imposes system benefits charges (SBC) on electricity customers.
- Oppose legislation that would require the provision of market sensitive information to state agencies.
- Support legislation which would provide state agencies with the necessary flexibility to exempt certain sensitive information such as maps, architectural drawings, or other detailed information relating to electric, natural gas, steam or telecommunications systems or infrastructure from public disclosure while maintaining the existing appeals process for gaining access to such information.
- Oppose legislation that seeks to restrict the use of certain outdoor lighting installations thus resulting in less effective and less safe illumination of roadways and other public spaces.
- Oppose legislation that mandates specific technologies for electricity generating facilities.
- Oppose legislating programs which raise the cost of electricity and natural gas to customers, including proposals that unduly subsidize alternative supply strategies.

Petroleum

- Oppose legislation which imposes geographical limitations on the location of retail gasoline service stations.
- Oppose legislation that would require the divorcement / divestiture of retail gasoline stations operated by producers, refiners or distributors of petroleum products.

- Oppose legislation which regulates franchise agreements and mandates open supply for gasoline service stations.
- Support legislation which would increase penalties for gasoline tax evasion and expand the same provisions to include diesel motor fuel.
- Oppose legislation that would prevent petroleum companies from utilizing geographical zone pricing of gasoline as a marketing technique.
- Oppose legislation and/or regulations which set state or local gasoline standards which vary from federal standards.
- Oppose legislation which would prohibit volume minimums in motor fuel franchise agreements.
- Oppose legislation that would permit lessee dealers of gasoline service stations to alter the service station property.

General

- Support the full and expedited recovery of expenses incurred by energy companies in the wake of the World Trade Center attacks. Significant repairs were necessary to permanently restore the electric, gas and steam systems in response to the 9/11 terrorist attacks and hundreds of millions of dollars were spent in emergency utility services, site cleanup, replacing and relocating facilities and equipment, and enhancements in the security of such services. In August 2002, the President and Congress allocated \$750 million of Federal aid, a significant amount of which is dedicated toward reimbursing utilities for these costs. To date only a small portion of the promised aid has been disbursed.
- Oppose legislation which would require the New York State Public Service Commission to review the compensation and benefits paid to certain officers, directors, and high level employees of the companies it regulates.
- Oppose legislation which further erodes the statutory protection afforded to the business records of corporations which are affiliates of public utility corporations.
- Support legislation that authorizes municipalities, in the conduct of public works projects to use appropriate mechanisms for reducing public inconvenience, project delays and costs, including but not limited to treating the cost of utility facility relocations, support and protection work as part of the public project bid.
- Oppose efforts to undermine the Public Service Commission's efforts to restructure New York's electric and gas industries.
- Support efforts to ensure that the costs of additional security at energy related facilities are fully recoverable.
- Oppose legislation which would impose redundant "whistleblower" reporting requirements.

- Support the continued operation of all existing, economically viable, base load electric generating facilities, including nuclear plants, as a means of ensuring stable and competitive prices and supply diversity.
- Support a statewide policy that encourages a safe, secure, economic, reliable and diverse supply of energy.

EDUCATION AND JOB TRAINING

Staff Contact: Margarita Mayo

- Maintain strong support for the higher standards and graduation requirements. Specifically support the requirement that students pass five Regents exams (English Language Arts, Math, Science and two social studies) in order to received a high school diploma.
- Require neighboring school districts to accept students from schools designated as in need of improvement under the Federal No Child Left Behind law and regulations. Federal State, and local Funds should follow the student to the new school and district. No school should be required to accept more than 5 percent of its total enrollment for such transfers.
- Support the continuation and expansion of New York State's charter school law.
- Support tax credits for parents who send their children to non-public schools.
- Support legislation to establish public private partnerships for higher student achievement and workforce development.
- Support course work content flexibility so that students can achieve the standards and graduation requirements with a career and technical education concentration should they opt to do so.
- Support measures that enable schools to provide extra help to students struggling to meet the standards including extending the school day and/or school year, providing extra time or help after school or in summer school, and providing professional development for teachers.
- Continue to support widespread dissemination of school report cards. *Note: New York State (as of January 1997) produces school report cards on every public school building in the state. These report cards are available from local school district offices, and also through the state education department web site: <http://www.nysed.gov>*
- Support changes in special education reimbursement methodology to remove any monetary incentive there may be with regard to the placement or labeling of students.
- Support the use of technology to improve instruction, to ensure that our children are technologically literate, to offer a wider range of courses through on-line learning, and to streamline administrative and management functions.
- Support the elimination of mandates:
 - that experience shows adversely affect the order, safety, and optimal functioning of schools;
 - that add to the costs of school construction such as the Wicks law;

- that hamper school governance and that result in restrictive work rules that, raise costs without improving results and are barriers to improving student achievement (such as the Triborough amendment).
- Support increased management flexibility to ensure that schools have high quality teachers, principals and administrators through pay related to performance and the reform of tenure, and repeal of the Triborough provision and any other such impediments to school improvement.
- Support the creation of an incentive and reward system for teachers and schools where substantial increases in student achievement have been made and/or are sustained.
- Support the provision of early childhood education programs to all children from low income families.
- Support measures that improve equity in the school aid formula. New York State currently is among the top three states in highest per pupil expenditure in the country, yet the wealth and ability of school districts to support schools varies widely.

HIGHER EDUCATION

- Support a multi-year, multi-million dollar commitment to fund investments in technology with universities and businesses that enter into partnerships around micro/nanotechnology, photonics and information technology and genomics and biotechnology.
- Support predictable tuition increases in SUNY and CUNY senior and community colleges that don't exceed the Consumer Price Index.
- Support enabling SUNY and CUNY to charge differential tuition between campuses and/or programs.
- SUNY and CUNY campuses should be allowed to use any tuition increase revenues to continue their efforts to raise quality standards.
- Support restoration of unrestricted aid to independent colleges and universities (commonly known as Bundy Aid) and continued improvements and funding enhancements in the Tuition Assistance Program. Part of any tuition increases should also be devoted to offset the higher tuition costs for needy students.
- Support merit scholarships and any expansion of such scholarships.

JOB TRAINING

- Support additional state dollars and directing federal training dollars for incumbent worker training through employer consortium training programs.
- Support increased funding for community colleges to provide employer-specific training to individual employers on a contract course basis.

- Support individual training vouchers, based on income and circumstances, for individuals choosing short term non-degree training programs.
- Support expansion of the EPE (Employment Preparation Program) aid for adults who lack the basic skills needed to be successful in the job market. Allow employers to access such funds for on site GED programs. Support providing more basic skills training in the workplace.
- Support programs that provide teachers, guidance counselors and other educators with more information about employer's skill requirements and expectations.
- Support requiring the state to approve qualified unilateral apprentice programs even where the employer is a participant in a Joint Apprenticeship Training Committee.
- Support year-round youth programming that is focused on the exploration of high demand career opportunities and that help youth meet the state's academic standards.
- Support the utilization of federal training and TANIF funds to enable employers to hire and "tryout" persons who have a history of multiple barriers to employment that they have overcome.

MANUFACTURING

Staff Contact: Ken Pokalsky

- Support legislation to adopt a "single sales factor" for assessing the state's corporate franchise tax. This change will provide a significant incentive to locate facilities and employees in New York State – and eliminate a tax "penalty" on New York State businesses with large in-state facilities and staff.
- Support legislation to reduce the cost of workers' compensation insurance, including limits on "permanent partial" disability awards, objective medical standards for assessing partial disabilities, and others.
- Support legislation to reduce the cost of group health insurance plans by: limiting state-imposed coverage mandates; reducing state charges on hospital bills; and other reforms.
- Support measures to reduce the cost of electric power, and to assure reliable and adequate power supplies. These include the development of new electric generating and transmission capacity in New York State that is necessary to assure adequate supplies and to achieve more competitive markets.
- Expand the sales tax exemption for energy used in manufacturing processes to include: computers and software used predominantly in manufacturing processes or in related research and development; reconditioning of manufacturing tools; energy costs related to maintaining a controlled manufacturing environment.
- Support tort reform legislation that: repeals "joint and several" liability; caps non-economic damages; establishes a "statute of repose" to limit the period in which a manufacturer can be held liable for damages attributable to its product; allows consideration of plaintiff's negligence; and limits contingency fees.

HEALTH

Staff Contact: Elliott Shaw

- Serve as a catalyst to corporate members, local chambers and regional health care coalitions who are pursuing collaborative and creative health care solutions at the regional level.
 - help empower community leaders;
 - provide data to community decision-makers;
 - facilitate the transfer of best practices between regions, such as the Community Technology Assessment Advisory Board in Rochester, the Leapfrog Group improvements, public measurements of quality by the Niagara Health Quality Coalition and performance payment plans like Bridges to Excellence.
- Support Medicaid reform that reduces the growth in expenditures and improves patient care.
 - priority focus on high cost patients with chronic illness and regional disparities in Medicaid costs;
 - harness information technology;
 - promote greater private sector health insurance coverage;
 - state takeover of the system with iron-clad requirement that local taxes be reduced;
 - model benefits after benefits provided in the private sector.
- Support initiatives to make health insurance more affordable by a) allowing employers to purchase a foundation health plan similar to Healthy New York, b) opposing new mandates and creating a cost-benefit commission, c) allowing flexibility and choice in benefit design by encouraging consumer-driven health plans, d) opposing cost-shifting from the direct pay market to the small group market. The Business Council supports a requirement that Chambers of Commerce be allowed to market and administer Healthy New York.
- Strongly oppose “play or pay” proposals that call for steep, punishing new taxes on businesses that can not afford to purchase health insurance for their workers.
- Support greater accountability for employer expenditures for bad debt and charity care through the hospital system. Employers pay a tax on their hospital bills to support this system.
- Support state initiatives that promote corporate wellness programs and that provide criteria by which to measure the success of the programs.
- Support medical liability tort reform.

WORKERS' COMPENSATION

Staff Contact: Kerry O. Kirwan

- Provide payment of benefits in a non-scheduled partial impairment case to 500 weeks.
- Adopt objective medical guidelines to determine the degree of disability in permanent partial disability cases. The guidelines should consider both anatomic and functional disability in permanent partial disability cases and should provide a standardized, replicable method for physicians to use to determine comprehensive, whole person impairment percentages. Forty-six

other states use objective medical guidelines, which ensure that medical providers evaluate similar cases using consistent criteria. In New York, different medical providers reach different conclusions about the extent of impairment in similar cases. This outcome helps make permanent partial claims the overwhelming reason for the high cost of New York's workers' compensation system.

- Support measures to reduce the state assessment that supports the "second injury fund" from the statutorily prescribed formulas of 150 percent of the fund's prior year disbursements, minus net assets, to 110 percent of prior year disbursements.
- Provide scheduled awards to one-half the claimants total disability for periods that do not represent actual lost time.
- Support partial benefit offset when the claimant begins to receive, or becomes eligible for full social security benefits.
- Support partial benefit offset when the claimant begins to receive, or becomes eligible for an employee pension benefit plan that has been fully funded by the employer.
- Support legislation to reduce the cost of workers' compensation insurance, including state-imposed assessments used to support the Workers Comp board and other special funds.
- Support amendments to sections 240 and 241 of the labor law to create a comparative negligence standard on third party suits.
- Support amendments to sections 21 and 47 of the workers' compensation law that require a preponderance of the evidence to support and award under this law.
- Support regulation or legislation that defines independent contractors.
- Support prohibiting payment of workers' compensation benefits, similar to limits found in the disability law, if the employee's injury was sustained during the perpetration of an illegal act or if the injury occurred under the influence of drugs or alcohol.
- Base legal fees for claimants representatives on the amount of any increase in award received by claimant in excess of the initial offer from the insurer or self-insurer.
- Suspend indemnity benefits if a partially disabled claimant refuses to apply for, or interview for, an employment opportunity within his current functional capability.
- Limit the number of chiropractor visits to those authorized by a referring physician and require the physician to reevaluate the treatment plan after ten chiropractic visits.
- Require that all insurers and self-insurers provide a monthly list, in electronic form, to the New York State Workers' Compensation Board of all claims currently receiving indemnity payments for matching with existing state database of employed workers.

- Reform provisions that impose absolute liability for construction and work site injuries on contractors and building owners, regardless of fault. New York State is the only state which imposes such a liability standard. Simply stated, a contractor or owner is liable for virtually any gravity related injury suffered by a worker on a job site - even if an employee ignored company safety policies, or was intoxicated, drug induced or in the process of committing a crime when the injury occurred. Section 240-241 cases make up over 50% of all third party liability cases. Imposing a negligence standard would reduce costs significantly, as well as increase work site safety.

TELECOMMUNICATIONS

Staff Contact: Anne Van Buren

Mission Statement

Actively promote regulatory and tax reform to encourage increased investment and competition in New York's telecommunications and information technology industries.

Tax Issues

- Amend the gross receipts and sales taxes on telecommunications services to conform to national, uniform sourcing rules for determining which jurisdiction a transaction occurs for tax purposes and clarify the tax treatment of charges for telecommunications aggregated with nontaxable charges for telecommunications.
- Support legislation that would apply existing statutory reductions of section 183-3 of the tax law to all telecommunication carriers. Current law penalizes corporations that pay dividends on the par value of capital stock in the amount of six percent or more and have more than one million access lines.
- Support the consolidation & simplification of remittance filings to streamline local tax payments.
- Continue expansion of the current Section 115 (12A) sales and use tax exemption for telecommunications equipment to include testing, training, billing and other ancillary equipment, and energy required for providing telecommunication services.
- Oppose legislation which increases or imposes new surcharges on telecommunications companies and their customers which fund social programs, and state or local government.
- Support legislation that eliminates the Gross Receipts Tax (GRT) - section 186a of Article 9 of the NYS Tax Law applicable to revenues of utilities subjected to the supervision of the Public Service Commission.
- Support legislation which would reform Article 9 taxation and reduce the tax burden on telecommunication customers.
- Property taxes paid by New York's telecommunication corporations are excessive when compared to parallel corporations in other states and other corporations within New York. Given the adverse impact of this disparity on New York's competitive position, we support appropriate legislation to ameliorate this unfair burden borne by telecommunication corporations and their customers to achieve equity and parity with other state's in the country.

- Support legislation which immediately removes all telecommunication services from taxation under gross earnings (§184 of the New York State Tax Law).
- Support an investment tax credit to provide companies with a deduction for leased equipment.

Policy Issues

- Assure full recovery of expenses incurred by PSC-regulated entities in response to the 9/11 terrorist attacks, including costs related to provision of emergency utility service, site cleanup, personnel expenses and the replacement of buildings, facilities and equipment, as well as costs necessary to enhance the security of utility services.
- Support legislation which makes it a felony for interfering with a person's ability to connect with an emergency service provided by intentionally damaging a telephone line.
- Oppose legislation that attempts to secure Anti-Joint Bidding legislation. Support legislation which provides for "Joint-Bidding."
- Support legislation that would set a uniform statewide process for municipal review of the siting and construction of wireless service facilities.
- Oppose legislation that would allow a municipal corporation to recover damages caused by acts of nature or similar unforeseen circumstances from telecommunication, wireless and cable companies.
- Oppose legislation that would restrict consumer access to "10-10 dial around" long distance services or require additional disclosure of such long distance rates by telecommunications and local exchange carriers.
- Support legislation that would establish an effective and cost-efficient statewide wireless emergency telecommunication system.
- Oppose legislation that would regulate service quality standards of telecommunication corporations.
- Support policies that promote unfettered access to multi-tenant buildings and the public right-of-way.
- Support legislation that exempts telephone utility trucks from the definition of "motor truck" so as to exclude drivers from being forced to comply with hours of service regulations prescribed by the commissioner of transportation.

U.S. BORDER AND TRADE

Staff Contact: Johnny Evers

- Full and speedy implementation of the 30 point Canada — U.S. "Smart Border Declaration", in order to establish and maintain a balance of physical and economic security along the entire New York State – Canada border.

- Adequate (24/7) staffing, interoperability, and cross designation by US and Canadian authorities at New York State – Canadian border crossings.
- No implementation of INS Section 110 or any equivalents, including expansion of documentation for U.S. and Canadian citizens, crossing the border.
- Full deployment of NEXUS at all commercial border crossings with adequate funding for effective marketing of the program on both sides of the border.
- Development and deployment of a pre-clearance system for cross border Amtrak and motorcoach passengers along the New York State-Canada border.
- Formal recognition of the Quebec-New York Corridor (I-87) as a “High Priority Corridor” by the federal government, along with full funding of the Champlain/Lacolle “Port of Excellence” project by 2006, and implementation of bilingual (English and French) signage along I-87 in NYS.
- Full recognition of Continental 1 as a strategic trade corridor between the U.S. and Canada.
- Expanded funding authority for border and corridor programs as part of the reauthorization of TEA-21, including limiting eligibility for border related funding to actual states bordering Canada or Mexico.
- Continued commitment by the New York State government to regular and substantive summits with the governments of Quebec and Ontario, with full private sector partnership. This should include an even deeper commitment to collaboration with Quebec and Ontario in the fields of transportation, technology sectors, economic development, tourism, sports, energy and security.

ECONOMIC DEVELOPMENT

Staff Contact: Ken Pokalsky

- Support creation of a refundable state credit for real property taxes (similar to the Empire Zone RPT benefit) that would apply statewide to manufacturers making significant capital investments for the purpose of improving their productivity and competitiveness and retaining existing employment.
- Support amendments to the Empire Zone program that assures continued eligibility of businesses with multiple facilities in New York, when such businesses make significant capital investments within a zone.
- Oppose legislation that would place additional restrictions on the designation of Empire Zone acreage, or that would impose unreasonable program qualification criteria.
- Support an extension of the “Power for Jobs” program for participant’s whose contracts will expire in 2004.
- Support creation of additional Empire Zones, with priority given to counties that have not received any zone designations.

- Support full funding of key Empire State Development Corporation programs, including but not limited to: "Jobs Now," Empire State Economic Development Fund, Regional Technology Development Centers, and business marketing programs.
- Support increased state support for incumbent worker training and training programs that target employer needs.
- Support necessary amendments to the new "Brownfield Program" tax credits to assure that earned credits can be taken by program participants, and can be transferred to subsequent site owner/developers.
- Support legislation that would promote the in-state commercialization of technologies developed through New York's university-based technology investment programs.
- Support the development and adoption of reasonable land use and development planning initiatives. Oppose legislation which restricts economic growth in New York under the guise of promoting "smart growth."
- Support the expansion of the state investment tax credit for telecommunications equipment.
- Make permanent the investment tax credit for the securities industry.
- Authorize an expansion of certified capital companies, or CAPCO's, which will make additional, private sector capital available for new investments in targeted geographic areas/economic sectors.

LABOR AND HUMAN RESOURCES

Staff Contact: Tom Minnick

- Oppose any government mandated employee benefits, especially the use of Disability Insurance payments for paid leave or paid time off.
- Support legislation which makes it easier for business to offer dependent care program options.
- Support the implementation of reasonable, objective medical guidelines, a maximum 500 week payment schedule for non-scheduled partial impairments for workers' compensation cases and a reduction in the "Second injury fund" assessment from 150% to 110%.

Employment

- Support the doctrine of "employment at will" and oppose any attempt to undermine an employer's right to employ and terminate employment.
- Support legislation which protects an employer's ability to create a drug-free workplace and excludes current drug and alcohol abuse from protection under the Human Rights Law.
- Support legislation which would provide limited liability to employers who provide good faith employment reference information.

Human Rights

- Support legislation which facilitates employer actions to eliminate sexual harassment and domestic violence and discourage additional mandates and remedies under the Human Rights and Labor Laws.

Labor Relations

- Oppose the use of a "union only" workforce in public and private projects and continue support of New York's competitive bidding laws.
- Oppose any attempts to limit an employer's right to operate during a labor dispute.

Pay Administration

- Support the concept of "equal pay for equal work" and oppose the doctrine of comparable worth in both the public and private sectors.
- Oppose the living wage concept.

Miscellaneous

- Support amendments to the Public Health Law allowing the use of employee smoking rooms in the workplace.
- Support a civil mediation process to serve as a first resolution effort prior to litigation and oppose any limitations to employer or agency Alternative Dispute Resolution procedures.
- Support amendments to the Industrial Homework Law that give employers flexibility to allow workers the ability to work from home.
- Oppose legislation that mandates studies, policy development and training in workplace violence prevention.

Regulatory

- Support the continuing activities of the state and local Workforce Investment Boards.

INSURANCE

Staff Contact: Diana Ehrlich

- Support legislation which would amend Article 13 of the Insurance Law to allow New York companies to comply with the new NAIC Statutory Accounting Practices and Procedures, with respect to admitted assets such as positive goodwill, EDP equipment and aircraft.
- Support legislation that would require the legislature to provide a fiscal analysis of all insurance mandates prior to legislative consideration.
- Oppose legislation which would place limitations on policy or coverage exclusions.

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- Support an investment tax credit to provide companies with a credit for purchased or leased computer equipment used in the business of insurance in New York State.
 - Support legislation which would establish procedures that must be followed when transferring the benefits, rights, privileges or options accruing under an annuity contract funding a structured settlement.
 - Establish performance standards for the Department of Insurance Fraud Unit including an annual report on the activities of the unit.
 - Support the repeal of Sections 240 and 241 of the Labor Law.
 - Support the continuation of the streamlined process to file and use rates, as well as forms with the insurance department.
 - Support legislation to create a new certified capital investment company to encourage development in lower Manhattan.
 - Support legislation to expand insurers ability to access capital markets.
 - Support tort reform proposals and other reforms to the civil justice system which would result in a fairer, more balanced and predictable system which minimizes regional differences.
 - Oppose proposals to assess interest penalties, court costs, attorney's fees, or punitive damages in connection with claim settlements.
 - Oppose proposals that would require prejudgment interest in personal injury actions or that would provide for non-economic damages in wrongful death cases.
 - Oppose any further prohibition, restrictions or penalty for the use of statistically valid risk indicators.
 - Oppose broadening the application of the Unfair Claims Settlement Practices Act, the Unfair Trade Practices Act, and Article 22-A of the General Business Law.
 - Encourage managed care for all applicable lines while opposing legislation which impedes the growth of managed care including "any willing provider" and "unitary pricing" proposals.
 - Support reasonable standards to promote insurance company solvency and oppose unreasonable restrictions and burdensome reporting requirements on investment powers of the insurance industry.
 - Oppose legislative or regulatory restrictions on the ability of insurers to re-insure some or all of any risk written.
 - Oppose the use of fines and penalties for specific revenue purposes.
 - Oppose any mandate that integrates health and medical insurance with auto medical and workers compensation insurance.

Health & Life

- Support “speed-to-market” initiatives to expedite uniform product approval processes, as set forth by the National Association of Insurance Commissioners (NAIC), the National Conference of Insurance Legislators (NCOIL) and the National Conference of State Legislatures (NCSL), such as the Coordinated Advertising Rate & Form Review Authority (CARFRA) and the Interstate Compact proposals.
- Support legislation to make permanent the law allowing the expanded use of derivative and replication transactions as part of an insurer’s investment plan.
- Support legislation to regulate viatical and life settlements provided such legislation does not impose unreasonable requirements on life insurers.
- Oppose the Uniform Computer Information Technology Act (UCITA) as proposed by the National Conference of Commissioners on Uniform State Law (NCCUSL).
- Oppose the inclusion of variable life insurance and variable annuities within the definition of “security” in the Uniform Securities Act as proposed by the National Conference of Commissioners on Uniform State Laws (NCCUSL).
- Support health plan flexibility to market products that increase cost sharing through flexible co-payments of specific services or providers.
- Oppose legislation defining medical necessity that would prohibit insurance carriers from performing utilization review.
- Support legislation which would authorize designation of funeral firms as beneficiaries of certain life insurance policies and allow for the payment of commissions on such policies to funeral directors who are also licensed life insurance agents.
- Oppose efforts to broaden the standard of liability and increases in damages on health plans and providers.
- Oppose further expansion of mandatory and make-available health insurance coverage of specific benefits and services.
- Oppose universal health insurance measures which require employers to either provide health insurance or pay financial assessments.
- Oppose further expansion of the requirement to employ community rating/open enrollment beyond current law.
- Support the adoption of health plans risked based capital standards or increased reserve requirements.
- Support the adoption of the Medicare 95% standard used to determine if a health plan is compliant with statutory prompt payment requirements.
- Oppose efforts to change existing utilization management and prompt payment requirements that would prevent proper investigation of fraud and abuse.

- Support continuation and expansion of individual market subsidy programs so that group purchasers will not have to cross subsidize individual rates.
- Support increased funding for report card and other quality measurement tools to provide more meaningful information and accountability to group purchasers.
- All HCRA funding initiatives should be included in the approved state budget.

Property & Casualty

- Support voluntary market solutions to insurance market availability problems, including but not limited to terrorism or coastal insurance issues.
- Support legislation to exempt large commercial risks from rigid rate and form regulation.
- Oppose further regulatory or legislative expansion of flex-rating for those lines that are presently open rated.
- Oppose legislative and regulatory expansion of dual authority between the Insurance Department and the Department of Motor Vehicles.
- Oppose mandated residual market mechanisms to lead liability problems in order to encourage legislation promoting a lead safe environment.

FINANCIAL SERVICES

Staff Contact: Diana Ehrlich

- Support the banking department in proposing legislation and adopting regulations in relation to suspicious banking activities that may be related to terrorist activities.
- Support amendments to the high cost home loan law which will continue to protect consumers from abusive lending practices but also allow banks and security firms to make mortgages available to those who may not qualify for prime loans.
- Support the reform of vehicle and traffic law by transferring liability for auto accidents from the leasing companies to the lessees. Under existing law, leasing companies, which effectively provide an alternate form of auto financing, can be sued for damages caused by vehicles over which they have no control simply because they are the registered owner of the vehicle.
- Support industry led initiative to protect consumers privacy over the internet.
- Support enforcement of existing laws against fraudulent and deceptive marketers and promote consumer empowerment technologies.
- Oppose legislation further restricting the telemarketing of financial services and products by regulated financial entities including but not limited to affiliates and subsidiaries.
- Support the elimination of lender liability for clean-up costs associated with environmentally hazardous conditions beyond their control.

- Oppose legislative approval of changes to the Uniform Commercial Code "Revised Articles 1 and 2" as recommended by the National Conference of Commissioners on Uniform State Laws.
- Oppose legislation that expands appraisal requirements.
- Support amendments to a chapter of the laws of 2003 related to high-cost loans.

SMALL BUSINESS

Staff Contact: Anne Van Buren

Fundamental Changes

- Support initiatives to make health insurance more affordable by a) allowing employers to purchase a foundation health plan similar to Healthy New York, b) opposing new mandates and creating a cost-benefit commission, c) allowing flexibility and choice in benefit design by encouraging consumer-driven health plans, and d) opposing cost-shifting from the direct pay market to the small group market.
- Strongly oppose "play or pay" proposals that call for steep, punishing new taxes on small businesses that can not afford to purchase health insurance for their workers.
- Support comprehensive legislation reforming New York State's costly civil justice system.
- Support Medicaid reforms in an effort to lower property taxes.
- Oppose an increase in the state's minimum wage above the federal minimum wage.

Other Changes

- Amend the Worker's Compensation Law to reduce costs of permanent partial disability cases by establishing scheduled awards, implement objective medical guidelines for the determination of disability cases, and reduce assessments that support the second injury fund.
- Support a requirement that Chambers of Commerce be allowed to market and administer Healthy New York and sole proprietor health insurance policies.
- Support electronic commerce, but oppose any mandates on all businesses.
- Support the collection of state and local taxes on tobacco and motor fuels sold by Native American tribal stores to non-Native Americans.

TRANSPORTATION

Staff Contact: Johnny Evers

- Support efforts that insure maximum funding for New York transportation programs, continued funding under TEA-21 re-authorization, and infrastructure investment encompassing all modes of transportation necessary for the economic success of New York State's businesses and industry.

- Support legislation to continue existing levels of Dedicated Highway Trust Fund. In this regard, dedicated highway user fees must be used only for the purpose of improving the state's road and bridges and should be held accountable to the public.
- As New York's current transportation infrastructure funding plan is being reviewed and updated, the state must adopt a forward-looking plan that will sufficiently address needed repairs to its roads, bridges and planned improvement projects.
- Support elimination of New York State's truck mileage tax provided that the amount of dedicated highway funding be maintained at or above current levels to allow for continued transportation infrastructure projects.
- Support funding parity between road and bridges and mass transit.
- Support a capital funding program for railway infrastructure projects and port development and federal support for port dredging initiatives.
- Support legislation that would eliminate the Petroleum Business Tax (PBT).
- Support legislation to promote the market penetration of advanced technology motor vehicles through incentive-based, market-driven strategies such as consumer tax credits, fueling infrastructure tax incentives, and research and development investment; oppose state legislation or regulations that would impose state-level limits or mandates on the emission of greenhouse gases from motor vehicles.
- Support the position that federal standards and requirements sufficiently provide for the safe transportation of hazardous materials.
- Support efforts to insure that New York's international border crossings and bridges are properly upgraded and improved and share in regional and national funding efforts.
- Oppose legislation that would increase the cost of shipping goods into New York, including legislation that would require the licensing by the state of federally licensed docking pilots.
- Oppose legislative bans on the use of creosote in New York's transportation infrastructure.

CONTRACT PROCUREMENT

Staff Contact: Tom Minnick

Mission Statement

The Contract Procurement Committee will support policy, legislation and regulation which will ensure economic growth and stability within New York State through open, and equal competition to all interested parties.

Contracting Out (Privatization)/Competitive Bidding/Preferential Bidding

- Support legislation which would decrease the incidence of government agencies, authorities, and prison industries competing with the private sector. In specific we would oppose the growing trend of those entities to obtain goods, services, or construction with public dollars.

- Support legislation which would establish an objective review process which determines whether a good, service or public work project should be contracted out or provided by the public entity, including mandated and preferred source goods and services.
- Support legislation which would create consistent enforcement of municipal contracts, similar to the manner in which state contracts are enforced.
- Support legislation, regulation or administrative action which would institute an electronic transfer of both contract documents, and of funds for payment, wherever feasible.
- Oppose legislation which creates a preference of one class of bidder over another.

Alternative Dispute Resolution

- Support legislation which would establish an independent contract dispute resolution mechanism which would render decisions in an objective and expedient manner.

(Legislation should also require that a written explanation of award to both winner and loser be submitted after award. Allow unsuccessful bidders to be debriefed, confidentially, as to why their bid was unsuccessful. This allows a continual learning process for both contracting agency and bidder.

Speedy Award Process (Service and Commodity Contracts)

- Support legislation which would create a timely process for the award of a contract using specified deadlines.
- Emergency construction contracts.

Vendor Responsibility

- Oppose legislation which would create a "vendor responsibility" file and/or establish a pre-qualified bidder's list for commodity and service contracts.

Other

- Support Qualification Based selection for design professional services for all state and local public works projects.
- Support "Hold Harmless" legislation which would allow contracts to be paid during budget delays.

OCCUPATIONAL SAFETY AND HEALTH

Staff Contact: Kerry O. Kirwan

- Support legislation to license occupational safety and hygiene professionals.
- Continue to assist in the development of homeland security issues as they relate to the business community.
- Respond to mold related legislation to ensure that the public is protected and to ensure that safety and health professionals are recognized as qualified to oversee mold remediation activities.

- Strongly oppose any effort by the state to develop and implement its own state OSHA plan.
- Oppose legislation that would place restrictions on the use of, or set state-level equipment standards for VDT's in the workplace.
- Oppose legislation that would impose state-level regulations in areas pre-empted by the federal Occupational Safety and Health Act. For example, oppose legislation that would mandate that employers provide medical monitoring services for all employees within broad occupational categories.
- Propose and support amendments to the state's asbestos abatement law to make it more risk-based by exempting from regulation those activities and materials which do not pose a threat.
- Support amendments to sections 240 and 241 of the labor law to create a comparative negligence standard on third party suits.
- Continue to monitor activities of the New York State Occupational Health Clinics Network and to promote business participation on local OHCN advisory committees.

BUSINESS LAW / GENERAL COUNSELS

Staff Contact: Jack Rice / Larry Justice

- Support comprehensive civil justice reform.
- Support restructuring the unified court system.
- Support the extension of Court of Claims jurisdiction to include claims by or against any local government or by or against any public officer or government employee.
- Oppose awarding pre-judgment interest in personal injury actions.
- Oppose awarding damages for bereavement, emotional loss and mental anguish in wrongful death actions.
- Support expansion of the Commercial Division of New York Supreme Court.
- Oppose legislation which restricts the use of protective orders to keep discovery exchanged in civil litigation confidential.

CONSTRUCTION

Staff Contact: Johnny Evers

Safety and Liability

Create a fair and equitable civil justice system by:

- Supporting efforts to encourage the availability and affordability of liability insurance.
- Supporting amendments to Sections 240 and 241 of the Labor Law to clarify the responsibilities and liabilities of owners, contractors and others in the construction process.

- Creating a statute of repose for engineers, architects and contractors.

Also, support legislation and regulation which would:

- Promulgate comprehensive written rules and regulations implementing the Voluntary Safety Program (established through the 1996 Workers' Comp Reform Act) which would increase workplace safety by allowing employers with premiums greater than \$5,000/year and safety mods below 1.3 who voluntarily establish certified safety and loss prevention programs to be eligible to receive a 5 percent premium credit for up to two years.
- Support legislation which would allow all industries (including construction) to be eligible for the Safety Premium Credit program. This program allows companies to take 5 percent of their investment in new technologies and apply it as a credit against workers' comp premiums up to 15 percent of their total premium for three years.
- Support legislation which would allow safety groups insured through the State Insurance Fund to be eligible for safety incentive credits.

Workforce Development and Apprenticeship Training Programs

Encourage public and public/private endeavors to meet the employment demands of the industry by preparing our future workforce through workforce development programs. This would include:

- Establishing fair and equitable state support of pre-apprentice and trainee programs.
- Requiring the state approve qualified unilateral apprentice programs even where the employer is a participant in a Joint Apprenticeship Training Committee.
- Encourage grant programs administered by private sector grantees.

Infrastructure Investment

- Encourage the use of prudent bonding for "hard dollar" construction. Such bonding should be financed with specific revenue sources not impacting the State's general fund obligations.
- Ensure that sufficient capital dollars are invested to maintain a safe, environmentally sound infrastructure, conducive to economic development.

Regulatory and Administrative Support

- The promulgation of comprehensive rules and regulations implementing the premium payroll cap that was established by legislation in 1998. Also, produce a compliance manual for affected employers.
- Require the Department of Labor to promulgate reasonable and equitable comprehensive written rules, regulations, and definitions for Section 220 of the Labor Law.
- Encourage better definition of sales tax exemptions and when are they applicable. Also, production of a "how to comply" manual for employers.

- Support the promulgation of comprehensive written rules, regulations, definitions for what an "Independent Contractor" is.

Additional Priorities**Workers' Compensation**

- Support legislation which would cap the length of time an injured worker can collect permanent partial disability benefits.
- Support prohibiting of workers' compensation benefits if an employee is intoxicated from alcohol and/or an illegal substance, or is in the act of committing a crime at the time of injury.
- Support the adoption of objective medical guidelines.

Fair Contracting

- Support legislation which would require public owners to pay contractors for delay damages upon documentation that public owners' action led to damages.
- Ensure that payments due contractors by public owners be expedited regardless of untimely budgets and insist that budgetary appropriations be regarded as promissory. If need be, pursue a legislative fix to the problem to ensure that contractors are paid for their work.
- Enhance the process by which payments are made upon the completion of public works projects. Encouragement of "quick payment" to contractors through technological advances, i.e. electronic transfer of funds.
- Oppose the extension of retainage beyond substantial completion.
- Support legislation which would require public owners to provide expeditious dispute resolution.
- Support legislation which would result in an alternative dispute resolution process between contractors and public owners that is fair, independent and timely
- Insist that the contract processes be expedited upon award.

Competitive Bidding/Government Competition/Preferential Bidding

- Oppose the expanded use of state and municipal agencies' staff in the construction management profession, and in their associated construction trades.
- Maintain, if not strengthen, the competitive bidding laws by ensuring that procurement policy not be adversely affected.
- Oppose legislation which would increase the incidence of unfair competition.
- Oppose legislation which would create preference through: domicile requirements, preferred bid lists, licensure requirements, percentage of lowest bid, or any other mechanism which allows preferential treatment of one class of bidder over another on public works contracts.

- Oppose legislation that authorizes alternative project delivery systems on public work without objective criteria that preserves a fair and open process.
- Oppose public entities attempting to circumvent the competitive bidding process through the use of "contracting in" and "force account" within the construction industry.
- Ensure that the continued and expanded use of emergency contracts does not circumvent the competitive bidding process.
- Support limiting the use of inmates or other taxpayer funded entities on public works projects, other than for minor maintenance work.
- Support the selection of private sector architects and engineers on all public works projects based on Section 136-a of the State Finance law.

Affirmative Action

- Support capital project appropriations which would establish mentoring, training, and/or revolving loan programs to allow equal access to the construction, and related trades, of minority, women, and small business entrepreneurs.
- Support efforts which would encourage increased opportunities for participation of available and competitive minority, women, and small owned business enterprises as well as economic opportunity for minority, women, (M/WBEs) and small business enterprises (SBEs) in the construction industry.
- Encourage uniform statewide implementation of Article 15-A, which promotes use of minority and women-owned business enterprises on public contracts.

Other Issues

- Support legislation which would permit mechanic's liens to be filed against the real property when private improvements are situated on publicly owned property.
- Oppose legislation which would require "wrap-up" insurance and surety bonds on public works projects.
- Oppose onerous mandates or unnecessary licensing requirements.

UNEMPLOYMENT COMPENSATION

Staff Contact: Rich Schwarz

Support:

- Use of the principles of experience rating, necessity, lowest cost to the economy, and contemporary timing in the design of any revised funding of the UC Trust Fund.
- Creation of separate General Accounts for taxable employers, reimbursable government employers, and reimbursable private employers.
- Increase of the requalification standards from five times a claimant's benefit level to ten times.

- Facilitation of communication of work interruptions to chargeable employers.
- Weekly communication of benefit charge notices to employers.

CONSUMER AFFAIRS

Staff Contact: Kerry O. Kirwan

- Support the position that all necessary labeling and packaging requirements for food, drug and products be done at the federal level.
- Support the position that all necessary warranty requirements be imposed at the federal level to ensure nationwide consistency.
- To ensure nationwide consistency, oppose legislation which amends New York State's Fair Credit Reporting Act beyond the standards established by the federal Fair Credit Reporting Act.
- Oppose legislation which restricts the release or sale of names on consumer lists.
- Oppose legislation that would impose additional government mandated restrictions on the terms of franchise agreements.

e-COMMERCE

Staff Contact: Diana A. Ehrlich

Mission Statement

Advocate legislation or regulations which will foster the growth of the Internet and e-commerce including, but not limited to, issues involving: Privacy, use of information technologies, tax policy, amendments to the State Technology Law, the Uniform Commercial Code as well as the National Uniform Electronic Transaction Act.

- Support enforcement of existing laws against fraudulent and deceptive marketers and promote consumer empowerment technologies.
- Oppose legislation that imposes onerous burdens or liabilities on providers.
- Support a moratorium on any new taxes on commercial Internet transactions.
- Support industry-led initiatives to protect consumers' privacy over the Internet.
- Oppose legislation which would regulate the content on the Internet.
- Oppose legislation prohibiting the use of social security numbers as identifiers.
- Support legislation promoting educational technology.