

UNITING BUSINESS | ADVANCING ARIZONA



2015 | BUSINESS AGENDA



CHAMPION LEVEL



Trustee Level



Chairman Level

Amagine Communications | American Airlines | Arizona Indian Gaming Association | Bank of America Merrill Lynch
Banner Health | Blue Cross Blue Shield of Arizona | CenturyLink, Inc. | CopperPoint Mutual Insurance Company
Gila River Indian Community | Intel Corporation | Scottsdale Lincoln Health Network | Services Group of America
SUMCO Phoenix Corporation | Tenet Healthcare Corporation | The Boeing Company | Wells Fargo Bank

Officer Level

Alliance Bank of Arizona | American Express | Arizona Commerce Authority | Celgene Corporation | Dignity Health
Grand Canyon University | Hensley Beverage Company | Maricopa Integrated Health Systems | MomDoc | Polsinelli PC
Raytheon Company | Snell & Wilmer LLP | Swift Transportation Corporation | UnitedHealthcare of Arizona | Wal-Mart, Inc.

Board Level

Aspect | Aetna | Amazon.com Fulfillment Services | Arizona Association of REALTORS | Arizona Cardinals | Arizona Charter
Schools Association | Arizona Lodging and Tourism Association | Arizona Multihousing Association | Arizona State University
Office of Public Affairs | Brownstein Hyatt Farber Schreck, LLP | Cancer Treatment Centers of America | CIGNA HealthCare
of Arizona | Clark Hill PLC | Coca-Cola North America Group | Comerica Bank | Corrections Corporation of America | Delta
Dental of Arizona | DMB Associates, Inc. | Enterprise Leasing Company | Ernst & Young | Express Scripts | Farmers Insurance
Fennemore Craig | Four Peaks Brewing Company | Golden Eagle Distributors, Inc. | Google Inc. | Health Net of Arizona | IBM
Corporation | IO | Jennings, Strouss and Salmon, PLC | Johnson & Johnson | K12 Inc. | Karsten Manufacturing | Lewis Roca
Rothgerber, LLP | Liberty Property Trust | Magellan Health Services | Mayo Clinic | MCL Enterprises, a Burger King Franchisee
Midwestern University | National Association of Industrial Office Properties | Newmark Grubb Knight Frank | PetSmart
Pfizer Inc. | Phoenix Children’s Hospital | Phoenix Suns | Redflex Traffic Systems | Republic Media | Safelite Group | Schmidt
Westergard and Company, PLLC | Semptra U.S. Gas and Power | Southwest Airlines | State Farm | TAG Employer Services
The Keating Group | Tucson Electric Power and UniSource Energy Services | Tucson Medical Center | Union Pacific | UPS | USAA
Veridus | Waste Management | Willetta Partners | Young’s Market Company | Yuma Regional Medical Center



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GLENN HAMER
President and CEO



ALAN HEYWOOD
Chairman of the Board



SUSAN ANABLE
Chairman of Public Affairs



STEVE MACIAS
Chairman of the Arizona
Manufacturers Council

Optimism abounds in Arizona in 2015, and for good reason.

Doug Ducey, who helped build a world-renowned brand, is ready to bring his business acumen to state government. Arizona’s job creators are ready to get to work with the new governor, as together we strive to ensure Arizona maintains its pro-growth, job-attracting environment.

The Legislature, from its top leadership to its newly elected freshman members, continues to boast a strong roster of advocates for job growth from both parties who are committed to advancing legislation that increases Arizona’s competitive standing.

The state’s business community is fortunate to have such strong advocates in positions of influence.

This is not to say that we don’t have our challenges this year. Some, such as crafting a balanced budget, are significant and will require a high level of skill and negotiation.

The Arizona Chamber of Commerce and Industry’s 2015 Business Agenda reflects this spirit of optimism along with a recognition that the state’s fiscal constraints are real.

Our state policy priorities are to encourage a fiscally responsible state budget that seeks to make smart reforms in the K-12 education space wherever possible. We will also work diligently to ensure that we continue to improve Arizona’s competitive tax climate by continuing to support the implementation of several major tax reforms instituted over the last few years.

We will continue our work to provide Arizona students with a world-class education system by promoting policies that allow for the expansion and replication of high quality charter and district schools in a fiscally sound way.

Our efforts to promote a business-friendly legal and labor environment will continue by seeking commonsense reforms to our workers’ compensation system and by resisting attempts to develop disparate wage laws across the state.

At a federal level, we will continue our strong support for Arizona’s military installations and missions. In the regulatory arena, the Chamber will continue to push back against the increasing regulatory threat by agencies like the EPA. And while the window for immigration reform is narrowing, we have not wavered in our call for reforms that we believe will help improve our economy.

We are excited to execute this agenda at the state Capitol and in Washington, D.C. and serve as the voice for Arizona’s job creators. We thank you for your continued support of the Arizona Chamber of Commerce and Industry.

STATE ISSUES

ENCOURAGE A FISCALLY RESPONSIBLE BUDGET:

Support resolution of the K-12 inflation funding lawsuit in a way that is fiscally responsible, does not impact implementation of past tax reforms that have made the state more competitive, and protects the right of the Legislature and the governor to direct any additional dollars uniformly among all public district and charter school students to proven K-12 reforms. As part of the discussions on Proposition 301 reauthorization, modifications and negotiations should be considered as it relates to long-term funding sustainability.

Support a responsible plan to reform the state’s public retirement programs.

FURTHER IMPROVE AND MAINTAIN ARIZONA’S COMPETITIVE TAX CLIMATE:

Support implementation of the various tax reforms that have phased in or will start to phase in, including but not limited to corporate income tax reductions, capital gains tax reductions, assessment ratio reductions, personal property exemptions, and sales factor.

Reduce the insurance premium tax.

PROVIDE ARIZONA STUDENTS WITH A WORLD-CLASS EDUCATION SYSTEM:

Expand and replicate high quality charter and district schools in a fiscally responsible way.

Advocate on behalf of the highest possible standards and assessments that give parents the most insightful information in order to ensure students are college and career ready.

Move public universities to a performance based funding model and implement university regulatory reform to promote entrepreneurial innovation.

MAKE ARIZONA’S LEGAL CLIMATE MORE COMPETITIVE:

Reestablish the Industrial Commission’s role as the jurisdiction for bad faith claims.

Continue to improve Arizona’s tort and legal system so it is viewed favorably in the marketplace.

PROTECT ARIZONA’S ECONOMIC ASSETS:

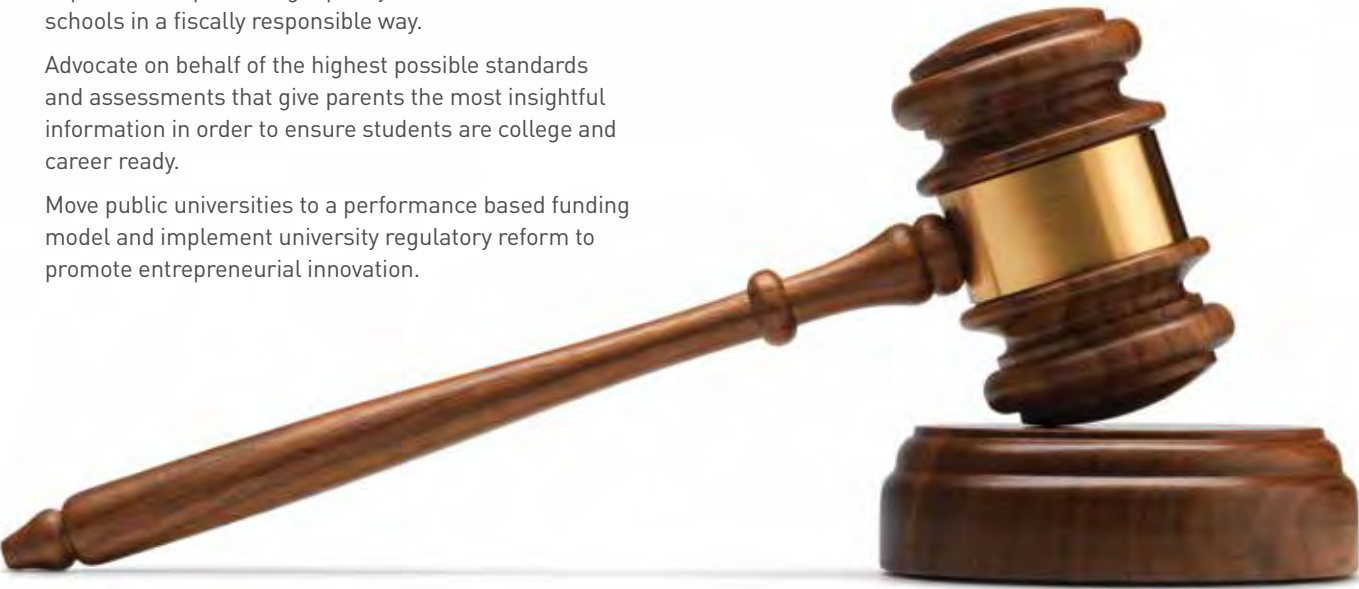
Protect local communities and their airport assets.

PROMOTE WAGE LAWS THAT ENCOURAGE JOB GROWTH:

Ensure that wage laws are the domain of the state and prevent the establishment of city-level wage laws that could result in a different minimum wage than the state’s.

IMPROVE ARIZONA’S HEALTH CARE SYSTEM:

Continue efforts to reduce uncompensated care.



FEDERAL ISSUES

PROTECT ARIZONA’S MILITARY INSTALLATIONS:

Organize and lead a statewide effort to promote Arizona’s military assets and their ability to take on new missions.

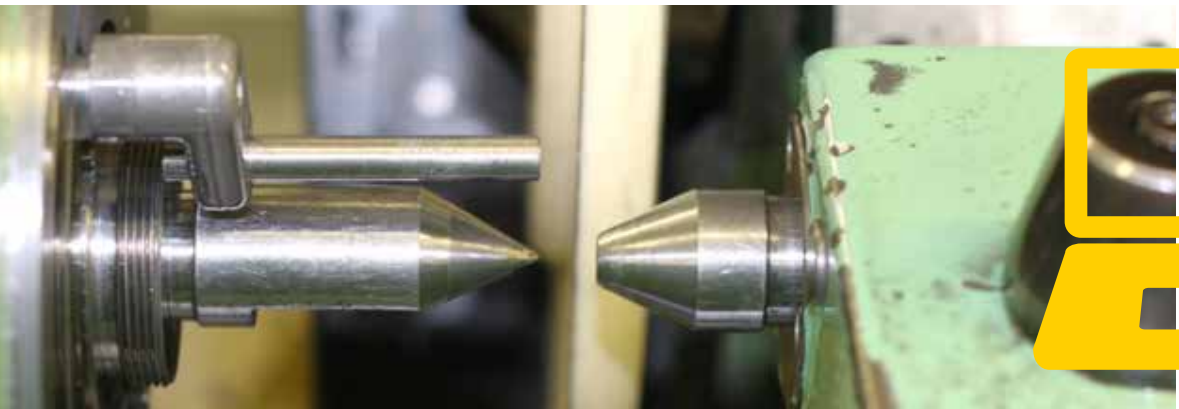
SUPPORT FEDERAL IMMIGRATION REFORM:

Advocate on behalf of federal legislation that addresses all major reforms.

ADVOCATE FOR ARIZONA’S UNIQUE INTERESTS TO BE REFLECTED IN FEDERAL REGULATIONS:

Oppose regulatory overreach that disparately and disproportionately impacts Arizona and ensure that Arizona’s distinctive characteristics are reflected in federal regulations.





Steve Macias, Chairman of the AMC (Pivot Manufacturing)

Dawn Grove, Vice Chairman of the AMC (Karsten Manufacturing Corporation)

PRINCIPLES

- ▶ Ensure that Arizona provides a globally competitive environment for the manufacturing sector that promotes innovation and furthers investment in research and development.
- ▶ Create an economical and understandable regulatory and legal environment that facilitates manufacturing operations.
- ▶ Support a taxation system that promotes capital investments and improves the manufacturing sector’s global competitiveness.
- ▶ Improve employer access to highly skilled employees.
- ▶ Support strong accountability measures, innovative management techniques, enhanced academic rigor and efficient use of resources to improve education throughout Arizona.
- ▶ Improve Arizona’s workers’ compensation system to improve employee care and ensure cost efficient use of employer dollars.
- ▶ Support the development of a multi-modal transportation system and more efficient border ports to facilitate the movement of goods and services.
- ▶ Support a market-driven health care system that makes it easy for employers to provide health insurance benefits to their employees.
- ▶ Oppose regulatory overreach by the National Labor Relations Board and other federal agencies.

STATE ISSUES

PROTECT AND SUPPORT FULL IMPLEMENTATION OF RECENT TAX REFORMS: Support implementation of the various tax reforms that have phased in or will start to phase in, including but not limited to corporate income tax reductions, capital gains tax reductions, assessment ratio reductions, personal property exemptions, and sales factor.

SUPPORT SALES AND USE TAX UNIFORMITY AND SIMPLIFICATION: Support the implementation of reforms to Arizona’s transaction privilege tax statute to make it easier for manufacturers to understand and comply with state and local tax issues.

SUPPORT CONTINUED IMPLEMENTATION OF THE ELECTRICITY TPT EXEMPTION FOR MANUFACTURERS AT THE STATE AND LOCAL LEVEL: As a result of the legislation that passed in 2014 to exempt manufacturers and smelting facilities from the state sales tax assessed on their power consumption, encourage municipalities to adopt the exemption that was made optional for cities and towns.

ASSIST MANUFACTURERS WITH INFRASTRUCTURE NEEDS: Explore additional options or tools that enable local governments to help address infrastructure needs for manufacturers.

SUPPORT AND LEVERAGE THE WORK OF THE ARIZONA COMMERCE AUTHORITY: Support the work of the Arizona Commerce Authority to lead statewide economic development activities, make Arizona a more competitive business location, be a magnet for foreign direct investment, retain and expand existing businesses and attract new businesses.

MAKE ARIZONA A DESTINATION OF THE RE-SHORING OF MANUFACTURING JOBS: Work with the Arizona Commerce Authority and other economic development stakeholders to promote Arizona as a preferred location for manufacturing investment formerly performed overseas. As part of this, efforts will be made to build, enhance and market Arizona’s competitive assets through an integrated economic development strategy. Explore the potential of partnerships with other states and Mexico to create competitive advantages for the region.

PRESERVE THE JOB TRAINING FUND: Oppose fund sweeps from the Job Training Fund as a means of balancing the state budget. The Job Training Fund is funded by a dedicated tax on employers to provide job-specific grants for customized training programs for new and incumbent workers that increase and update their skills.

SUPPORT ELECTRONIC IMPROVEMENTS FOR STATE AGENCIES: Work with the legislature and administrative agencies to allow businesses to pay fees through credit card, check or other fund transfer mechanisms. Support state agency efforts to facilitate processes and government reforms including an online licensing and permitting database.

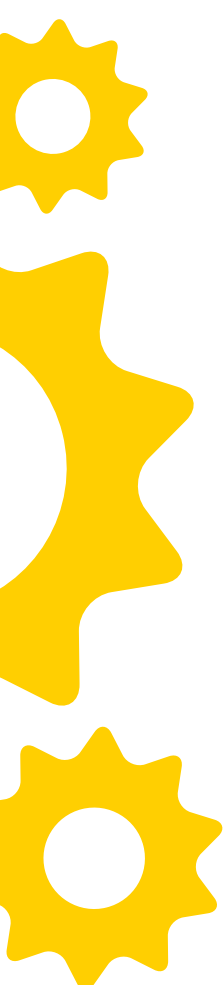
MAKE USE OF THE STREAMLINED RULE REFORM PROCESS AND MAXIMIZE LEAN PERMIT PROCESSING METHODS: Work with the Governor’s office and state agencies to identify rules and permitting processes that can be streamlined through administrative action or rule revision.

PROTECT EMPLOYEE RIGHTS: Maintain Arizona’s right to work status. Oppose compulsory union assessments. Ensure that employees control the assignment of their wages to labor organizations. Protect employees’ right not to have their union dues used for political purposes without consent. Support revisions to Arizona’s paycheck protection legislation to ensure it is constitutional and easy for employers to administer.

INCREASE THE OUTPUT OF STUDENTS WHO ARE PREPARED FOR THE MODERN MANUFACTURING WORKPLACE: Protect against cuts to career and technical education (CTE) programs. Promote the world-class image of manufacturing to schools, teachers, parents and elected officials. Create, support and sustain a career skills-certified and qualified manufacturing workforce. Encourage and support curriculum content and an education delivery system that leads to nationally recognized, industry validated credentials. Serve as liaison between manufacturing workforce needs and education articulation.

SUPPORT EFFORTS OF THE AZ MANUFACTURING PARTNERSHIP: Support efforts of the AMP to improve educational outcomes meant to increase the number of skilled graduates from K – 12, community colleges, and universities that are prepared to enter the manufacturing workforce.

ENACT PERMIT FEE REFORM: Many regulatory agencies moved toward being fully funded through permit fees during the recent recession. Reduce the exclusive burden of funding the regulatory agencies from fees where appropriate through the adoption of more generalized funding sources. Continue support of further privatization and the use of general permits to reduce permit costs and work with policymakers to minimize administrative overhead.



IMPROVE ARIZONA'S WORKERS' COMPENSATION SYSTEM: Support reforms that will improve Arizona's workers' compensation system, including reestablishing the Industrial Commission's role as the jurisdiction for bad faith claims and increasing the penalties that can be levied by the Industrial Commission for violations. Eliminate the ability for a claimant to be awarded punitive damages in Superior Court.

PROMOTE THE DEFENSE AND AEROSPACE INDUSTRY AS AN ECONOMIC ENGINE: Support efforts to promote Arizona's defense and aerospace industry with Arizona's congressional delegation. Work to protect Arizona's defense industry from the potentially devastating impact of automatic sequestration budget reductions.

SUPPORT FURTHER TORT REFORM: Continue to improve Arizona's tort and legal system so it is viewed favorably in the marketplace. Work to transition Arizona to a modified comparative fault state. Oppose measures that would inflate settlement values and prolong the litigation process. In addition, preserve the work that has been done to improve our civil justice system, including:

- The right to an interlocutory appeal for class action lawsuits.
- Protection from punitive damages in product liability cases where the business followed all applicable laws and regulations.
- The cap on appeal bonds to ensure that defendants have full access to the appeals process.
- Recovery of attorney fees on frivolous cases.
- Improvement of jury service and the lengthy jury trial fund.
- The cap on post-judgment interest rates.

DEVELOP THE GREATER PHOENIX AREA INTO THE COMMERCIAL HUB FOR THE SOUTHWEST UNITED STATES: Advance the Arizona <> Southwest Project centered around local commercial airports to drive commercial air cargo and related activities including ground transportation, customs entry and exit, logistics and warehousing. Support efforts to

develop the career and technical education pathways that will be required to generate a sufficient supply of employees for the jobs that the Arizona <> Southwest Project will create.

SUSTAIN UNEMPLOYMENT INSURANCE: Support policies that will expedite the return to solvency for Arizona's UI system. These reforms will include provisions to reduce improper payment of benefits and fraud.

PROTECT EMPLOYERS FROM UNNECESSARY REGULATORY INTERFERENCE: Support legislation that clarifies the standards of proper classification of an independent contractor versus an employee.

AVOID DOUBLE TAXATION OF PRODUCTS MANUFACTURED IN ARIZONA: Expand the existing transaction privilege tax exemption for direct materials incorporated into a manufactured product to include indirect materials used in the production process.

IMPROVE STATE GOVERNMENT: Explore a set of reforms designed to make state government work better for the citizens it represents. Items that should be considered include:

- Limit the length of the legislative session to ensure that the work of government is concluded in a timely manner each year. Reform the interim session so that there is more structure and more productivity.
- Do away with term limits on state elected offices so that voters have the option to re-elect public servants for additional terms.
- Determine whether certain elected positions should be appointed by the governor with legislative confirmation, particularly for positions that demand a high level of technical expertise. Reform the method used to determine salaries of elected officials.

FEDERAL ISSUES

SUPPORT EFFORTS TO CORRECT HARMFUL TARIFFS TO U.S. MANUFACTURING: Encourage U.S. manufacturing jobs by supporting efforts to correct certain harmful tariffs, where government charges a higher tariff rate for import of component parts than it charges for import of a completed product. Also encourage U.S. manufacturing jobs by supporting reduction or elimination of tariffs for non-domestically produced components (which are not available in the U.S.) used in the assembly of products in the U.S.

ENACT A UNIFORM AND COHESIVE SYSTEM FOR THE COLLECTION OF STATE AND LOCAL TAXES FROM REMOTE SELLERS: Support the Marketplace Fairness Act to address the Supreme Court ruling in *Quill Corporation v. North Dakota* and provide for the collection of tax by retailers located out-of-state.

SUPPORT EFFORTS TO EXPAND TRADE AND GLOBAL COMMERCE: Advocate for federal actions, including reauthorization of the Export-Import Bank, that open new markets and create new jobs for U.S. businesses. Encourage the completion of export control reforms and trade agreements that expand U.S. exports to growing economies.

SUPPORT STATE PRIMACY UNDER THE EPA CLEAN POWER PLAN: Support Arizona in defending its primacy and role under the Clean Air Act in regards to the EPA's carbon emission reduction requirements. Support Arizona and Arizona tribal sovereign nations in developing, through extensive stakeholder collaboration, its State Implementation Plan in response to federal carbon emission reduction requirements. Support Arizona in its legal pursuit against the EPA in the event the EPA does not give deference to Arizona's reasoned policy and technical determinations.

OPPOSE REGULATORY OVERREACH BY THE NATIONAL LABOR RELATIONS BOARD AND OTHER FEDERAL AGENCIES: Oppose NLRB and Equal Employment Opportunity Commission actions that threaten the rights of employers to make sound, lawful business decisions related to the location of their business operations, employment policies, enforcement of Arizona's employment-at-will doctrine and communication with employees. Advocate against federal administrative action that would limit businesses' ability to move facilities and employees across state lines. Support state legislation that would strengthen Arizona Employment Protection Act against NLRB regulatory action.

SUPPORT A FEDERAL REGULATORY MORATORIUM: Support a federal regulatory moratorium similar to Arizona's effective state program and work to control the implementation of new regulations that reduce manufacturing's global competitiveness.

OPPOSE FEDERAL REGULATIONS OR LAWS TO DRAMATICALLY ALTER THE PROCESS FOR ESTABLISHING A LABOR UNION: Continue to support Arizona's efforts to maintain the current secret ballot process for union organizing elections. Oppose all efforts, whether through legislation, litigation or through rulemaking by the National Labor Relations Board, to infringe upon employer rights with respect to union organizing campaigns.

ENCOURAGE FEDERAL REGULATORY REFORM AND RELIEF: Advocate for the federal permitting process to be both streamlined and expedited. Encourage federal agencies to refrain from issuing discretionary regulations that could have a substantial economic impact.

SUPPORT THE RULE OF REASON IN ANTITRUST LAW: Protect U.S. brands and American jobs by supporting the "Rule of Reason" and opposing efforts to repeal the U.S. Supreme Court's sound antitrust decision in the *Leegin* case.





Dawn Grove, Chairman (Karsten Manufacturing Corporation)

Greg Ensell, Vice Chairman (Cox Communications, Inc.)

PRINCIPLES

- ▶ Continue making the state budgeting process more transparent and fiscally responsible.
- ▶ Support state budgeting that maintains dedicated funds for their intended purposes and restores dedicated funds that have been diverted to help balance the state budget.
- ▶ Ensure that permit and user fees are subject to strict accountability measures.
- ▶ Ensure that one-time funds are not used to create new or expanded, ongoing government programs.
- ▶ Support a responsive and stable state government that allows the free market to maximize economic activity throughout the state.
- ▶ Support an election system with a clear citizen initiative process and a fair and transparent campaign finance system.
- ▶ Require the state to have a truly balanced budget.
- ▶ Support efforts to maintain employers' rights against regulatory overreach.

SHORT-TERM GOALS

REFORM PUBLIC RETIREMENT PROGRAMS: Continue to make progress and take further measures to ensure that government employee retirement systems (ASRS, PSPRS, CORP) are actuarially sound and that any unfunded liabilities are made fully transparent to elected leaders and the public in order to avoid any future solvency issues and to prevent the government's contribution from rising to a level that crowds out the ability to fund critical government functions. Consider moving toward a defined contribution plan for new employees, similar to what was enacted for elected officials. Identify ways to enhance investments and minimize administrative costs.

PROTECT FREE SPEECH: Consider potential campaign finance reforms that seek to protect free speech, and maintain the protections already in place.

EXPLORE WHETHER CERTAIN STATEWIDE ELECTED POSITIONS SHOULD BE APPOINTED: Determine whether certain elected positions should be appointed by the governor with legislative confirmation, particularly for positions that demand a high level of technical expertise.

LIMIT PUBLIC FINANCING FOR THE CLEAN ELECTIONS SYSTEM: Oppose legislation that would increase the base funding provided by taxpayers for the political campaigns of publicly financed candidates. Limit the power of the Citizens Clean Elections Commission to fund advertising campaigns to promote continued public financing of elections. Limit the investigative authority of the Commission to participating candidates only, and ensure that the Secretary of State remains the jurisdiction for campaign finance complaints made against traditionally funded candidates.

PROTECT THE ABILITY OF POLITICAL ACTION COMMITTEES TO PROVIDE INCREASED CONTRIBUTIONS: Ensure that the aggregate PAC limit removal is not compromised as a result of a legal challenge or future legislation.

ENSURE FAIRNESS AND ACCOUNTABILITY FOR FEE SETTING AUTHORITY: Make certain that any fee increase put in place by a government entity is subject to strict accountability measures. Where appropriate, ensure that the fee is temporary in nature and is used exclusively to provide the specific services for which it is designed and not to fund the general operations of government entities or to help balance the state's general fund. Strongly oppose fund sweeps. For state agencies that have moved towards more reliance on fees on business during the state's fiscal crisis, find a path to return to general fund appropriations so that fee payers are not permanently supporting the general operations of the agency.

REFORM THE INITIATIVE AND REFERENDUM PROCESSES: Increase transparency within Arizona's initiative and referendum processes, including requiring precirculation review of language, content, and constitutionality of initiatives and instituting a ballot title and summary review board.

SUPPORT GOVERNMENT PROCUREMENT REFORM: Support transparency, consistency and fairness for procurement processes at the state, county and city levels of government. Ensure that all private entities bidding on government contracts are given an equal opportunity and provided with ample advance notice. Encourage the expanded use of reverse auctions so that government can get the most competitive pricing.

ENCOURAGE FURTHER PRIVATIZATION OF STATE GOVERNMENT FUNCTIONS WHERE APPROPRIATE: Support privatization of certain services provided by government agencies in order to realize cost savings. Support efforts to eliminate employer withdrawal liability charges for state entities that are privatized by action of the state Legislature.

MODERNIZE STATE GOVERNMENT: Support efforts of the Government Transformation Office to improve and modernize state government operations, including using the expedited rulemaking authority.

SIMPLIFY FEE TRANSACTIONS WITH STATE GOVERNMENT: Support efforts to require agencies to accept payments for fees and other administrative services by credit card.



LONG-TERM GOALS

LIMIT THE USE OF DEBT: The Arizona Chamber continues its historical opposition to the use of debt financing for the operating expenses of the state. Debt financing for capital expenditures should be subject to strict safeguards and limitations, such as:

- Debt financing should not be used as a means to avoid or forestall program reductions, nor should it be used as a first step to resolving the budget deficit.
- Any general fund monies freed up from the issuance of debt should be focused exclusively on those activities that support economic growth and diversification and enhance the state's competitive position.

Authorizing statutes should require accelerated repayment as soon as state revenues improve. For example, a budget "trigger" based on revenue growth could require that additional funds be dedicated to the early retirement of financial debt.

ESTABLISH A STATEWIDE DEBT POLICY: Support the creation of a debt policy for the state as well as local, county and special taxing jurisdictions consistent with fiscally responsible parameters for the use of debt financing for long-term capital assets. Support the publication of an annual state debt affordability index. The types of debt instruments, terms of financing, the impact of debt on taxation and state expenditures, the state's ability to repay the obligation during the useful life of the asset, identification of appropriate revenue streams for paying off the debt, the total amount of state and local debt outstanding, inflationary expectations, and other sound financial principles should be included in the policy. Safeguards should be put in place to ensure the state does not accumulate more debt than it can afford to service. Legal reforms consistent with a thoughtful review of the constitution should be considered so that the state has access to optimal, transparent and straightforward financing terms.

LIMIT THE USE OF ACCOUNTING GIMMICKS TO "BALANCE" THE STATE BUDGET: Limit the use of non-sustainable budget techniques that create long-term fiscal problems for the state, including but not limited to K-12 and university rollovers and fund sweeps from dedicated accounts. Eliminate the use of these techniques and encourage the Legislature to put a plan in place to restore money diverted by these techniques as soon as the state comes out of the fiscal crisis and funds are available.

ENHANCE TRANSPARENCY OVER THE BUDGETING PROCESS: Provide a complete picture of government spending activities including the allocation of federal funds received by state agencies.

REPLENISH AND EXPAND THE BUDGET STABILIZATION FUND (RAINY DAY FUND): Increase the size of the Rainy Day Fund so that it is a more effective tool for smoothing out government expenditures through fiscal cycles. Ensure that the Fund is used exclusively for established state programs during economic downturns, not to expand government services. More clearly define what constitutes a fiscal emergency that warrants dipping into the Rainy Day Fund so that it is not again depleted before the worst of a downturn.

IMPROVE STATE GOVERNMENT: Explore a set of reforms designed to make state government work better for the citizens it represents. Items that should be considered include:

- Limit the length of the legislative session to ensure that the work of government is concluded in a timely manner each year. Reform the interim session so that there is more structure and more productivity.
- Do away with term limits on state elected offices so that voters have the option to re-elect public servants for additional terms.
- Reform the method used to determine salaries of elected officials.

SUPPORT PERSONNEL REFORM FOR GOVERNMENT EMPLOYEES: Support the implementation of reforms that will help the state to attract and retain talented employees, provide agencies with enhanced flexibility for hiring, dismissing, and promoting employees, and improve the state's overall ability to manage its workforce.

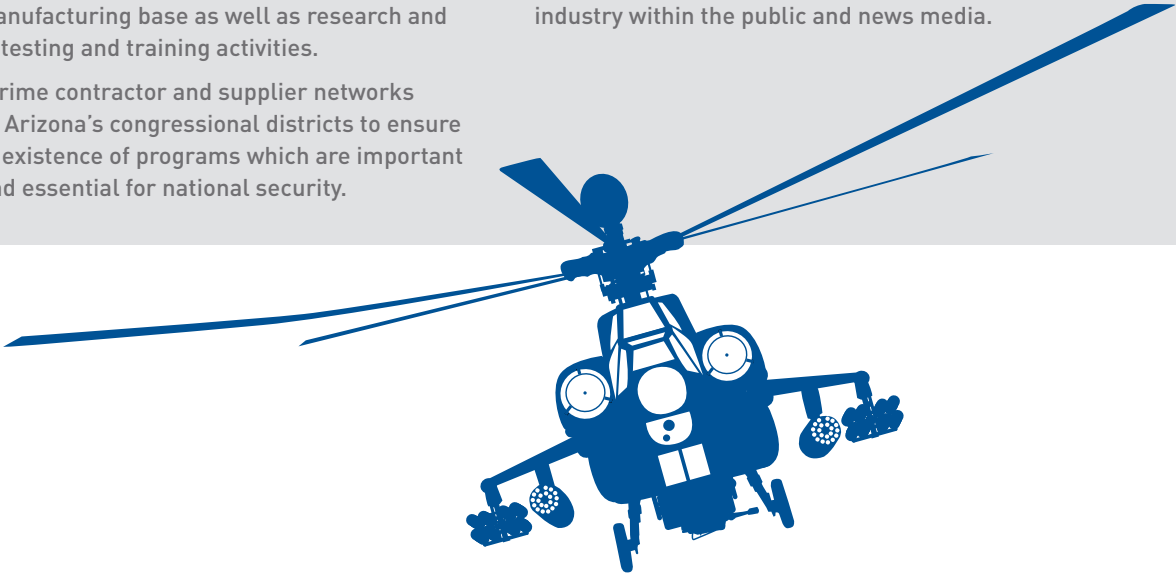


Mark Gaspers, Chairman (The Boeing Company)

MISSION AND STRATEGY

The defense and aerospace industry has a significant economic impact on our state. The industry directly employs tens of thousands of Arizonans at wages that are more than double the average salary and indirect multiplier effects. The Arizona Chamber's Defense and Aerospace Committee acts as an integrator for the industry by bringing together the entire supplier network and serving as a unified voice at the state and federal levels. The Committee works strategically to engage lawmakers and the broader business community in efforts to make Arizona more competitive for defense and aerospace companies and to preserve and grow jobs in this industry. As the industry integrator, the Defense and Aerospace Committee:

- Advocates for programs and policies that maintain and expand the manufacturing base as well as research and development, testing and training activities.
- Enhances awareness of the defense and aerospace industry within the public and news media.
- Coordinates prime contractor and supplier networks within each of Arizona's congressional districts to ensure the continued existence of programs which are important to the state and essential for national security.



GOALS

SUPPORT A FISCALLY RESPONSIBLE DEFENSE BUDGET THAT PROTECTS NATIONAL SECURITY: Provide input to Arizona’s congressional delegation, governor, Legislature and other elected officials across all levels of government on the impact to Arizona of sequestration, major defense appropriation bills and federal budget areas including the Department of Defense, NASA, and the Department of Homeland Security. Support appropriations that provide for our country’s current national security needs while preparing for potential future threats. Encourage efficiencies and program streamlining where appropriate, while recognizing that national security is one of the federal government’s core responsibilities.

PROTECT ARIZONA’S MILITARY INSTALLATIONS: Support cooperation between public and private entities on compatible land use planning and zoning and dark sky preservation in areas surrounding military bases and restricted airspace in order to preserve these vital assets. Collaborate with local, state, tribal and federal stakeholders to ensure that Arizona’s military installations are able to continue fully performing their missions and are not subject to the next round of the Department of Defense’s Base Realignment and Closure (BRAC) process.

POSITION ARIZONA AS A GLOBALLY COMPETITIVE DEFENSE AND AEROSPACE INDUSTRY LOCATION: Work with the state and the Arizona Commerce Authority to educate others about the importance of Arizona’s defense and aerospace industry. Show that Arizona is keeping the industry growing and healthy on the international stage.

MAKE ARIZONA A LEADER IN UNMANNED AIRCRAFT SYSTEMS (UAS): Work with key stakeholders to secure Arizona’s position as a leading location for research and development, manufacturing, and testing of UAS. Oppose efforts to restrict the use of UAS technologies for testing and police by government agencies.



SUPPORT U.S. EXPORT COMPETITIVENESS: Advocate for federal actions, including reauthorization of the Export-Import Bank, that open new markets and create new jobs for U.S. businesses. Work toward a U.S. export control system that is more predictable, efficient and transparent and allows U.S. businesses to enter more markets that do not present a security risk.

PROTECT COMMUNITIES AND THEIR AIRPORT ASSETS: Civil and military airports and the surrounding land owners should take efforts to minimize impacts on one another so that all legally available uses may be enjoyed without loss of private property rights, economic value, and appropriate utilization of airport assets. Encourage land owners, civil and military airport stakeholders to have proactive dialogue about potential changes so that all parties may develop a consensus plan to address future uses.

ADJUST THE STATE’S REGULATORY AND TAX POLICY TO ACCOUNT FOR LONG-TERM BUSINESS CYCLES: Recognize that the aerospace and defense industry is on a long-term business cycle and adjust Arizona’s regulatory and tax policies in a way that considers the length of the industry’s business cycle in an effort to enhance the environment for the industry to grow.



Ed Zito, Chairman (Alliance Bank of Arizona)



MISSION

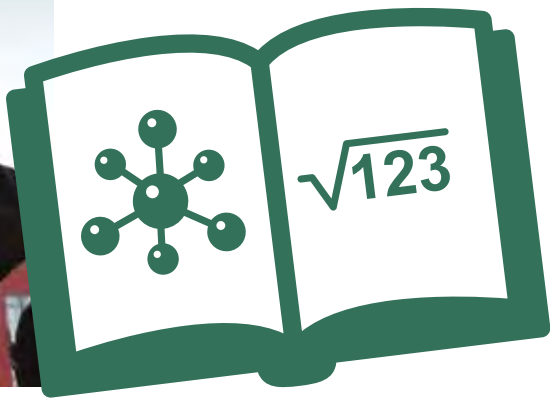
The mission of the Economic Development committee is to discover, research, promote, collaborate and initiate actions to enhance economic development in the state of Arizona. The committee’s mission will be to evaluate all major economic development issues facing Arizona, with a focus on fostering a business climate to lead, attract, retain, grow and prosper Arizona businesses.

GOALS

SUPPORT AND LEVERAGE THE WORK OF THE ARIZONA COMMERCE AUTHORITY: Support the work of the Arizona Commerce Authority to lead statewide economic development activities, make Arizona a more competitive business location, be a magnet for foreign direct investment, expand existing businesses and attract new businesses. Work in partnership with the Arizona Commerce Authority on strategic initiatives to improve the overall business climate in Arizona.

PROMOTE CAPITAL FORMATION: Encourage innovative solutions that increase access to private capital and resources for start-up and early-stage businesses across the state in order to support the development of new businesses, retention and expansion of existing businesses, and increase economic diversification. Continue to support resources for programs that have a record of success and a proven return on investment, including the Angel Investment tax credit program.

STRENGTHEN ARIZONA’S ECONOMY: Support policies that improve Arizona’s economic vitality, retain existing businesses, and spur new business growth and job creation. Strengthen Arizona’s diversified economic base with an emphasis on high-wage industries and emerging sectors.



Dave Howell, Chairman (Wells Fargo Bank)

PRINCIPLES

- ▶ Arizona must have a P-20 education environment that produces a globally competitive workforce and serves as both an engine and a magnet for further economic growth.
- ▶ All Arizona children deserve easy access to a learning environment appropriate to their needs that allows them to maximize their personal and economic potential.
- ▶ Arizona educators should be held to world-class knowledge and teaching standards, offered the support they need to attain those standards, and compensated fairly for achieving them.
- ▶ Arizona's P-20 education system should encourage innovation, reward success, hold all stakeholders accountable for their performance, and quickly identify, address and correct failure.
- ▶ Arizona's system of financing public education should be dependable, flexible and robust to prepare students for college and career.
- ▶ Arizona's K-12 system should encourage the expansion and replication of high-quality district and charter schools.
- ▶ Arizona's P-20 education system should sufficiently connect community colleges and joint technical education districts with state universities for the purpose of allowing the most seamless transition for students.

SHORT-TERM GOALS

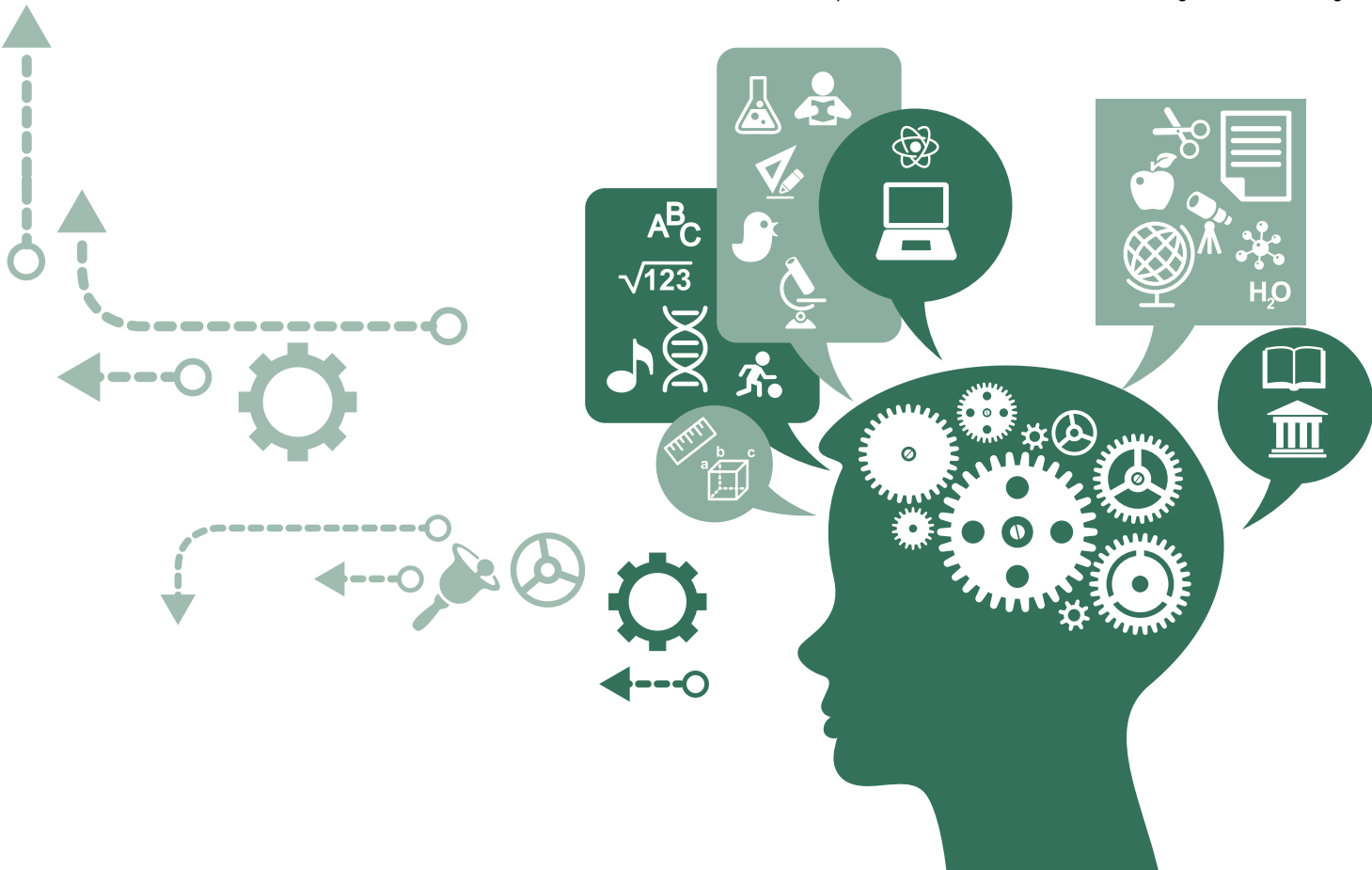
SUPPORT ARIZONA'S COLLEGE AND CAREER READY STANDARDS WITH APPROPRIATE RESOURCES AND TRAINING: Recognize that Arizona's College and Career Ready Standards are a rigorous set of standards that will better prepare students for work and postsecondary education. To that end, ensure that adequate financial resources are targeted to support teachers,

schools and districts to effectively deliver the standards adopted by the State Board of Education in 2010, and to provide interventions for struggling schools and students. Specifically, support funding for teacher professional development, materials, technology and assessments related to the new standards.

REDESIGN THE SCHOOL FINANCE SYSTEM: Reform Arizona's outdated public school financing system to better and equitably allocate resources and recognize educational achievement. Structure the system so that it provides the right incentives for cost-effective behavior, improves budget transparency and is based on real-time enrollment. The system should push towards outcomes rather than seat time and encourage a variety of educational settings, tools, pedagogies and technologies. Schools and districts should be provided with more flexibility to allocate funds in order to achieve better results. Those schools and districts that fail to meet standards, however, should be required to follow more prescriptive, proven methods for allocating funds to improve student achievement. The system should include a performance fund to provide resources for proven approaches to teaching. Continue supporting a performance funding model at the LEA level that is effective, transparent and promotes improvement at all levels, and student learning that links strategies to outcomes.

PROMOTE THE USE OF TECHNOLOGY FOR TEACHING, LEARNING AND ADMINISTRATION: Support the utilization of technology to improve classroom instruction, accountability and productivity. Ensure that students master the technological skills necessary to succeed in a business environment. Advocate for necessary technology and sufficient funding. Support the selection, proper implementation and funding of an assessment or assessments that align with the college and career ready standards. As part of the effort to improve learning, support funding for "Move on When Reading," to ensure that students are reading by the end of the third grade and those who are not reading by the end of third grade have appropriate assistance to be ready by the fourth grade.

EXPAND QUALITY EDUCATIONAL CHOICE: Support measures to ensure accountability and sound fiscal policy, and expand public and private educational options from preschool all the way through postsecondary education, including district and charter public schools, private K-12 schools, distance learning, home schooling,



GED and adult basic education (ABE), career and technical education (CTE), post-secondary options embedded in high schools and public and private colleges and universities to meet individual student needs. Encourage the use of distance learning, and financial and non-financial incentives to expand the availability of Advanced Placement (AP) courses and other specialized programs of study throughout the state.

ENCOURAGE EXPANSION OF QUALITY PUBLIC DISTRICT AND CHARTER SCHOOLS: Support policies and funding that would encourage replication and expansion of high quality charter and district schools in a fiscally responsible way.

SUPPORT JTEDs, CTE: Encourage public/private partnerships between industry and Career & Technical Education (CTE) and Joint Technical Education Districts (JTEDs). Support actions to continue state and federal funding of career and technical education and Joint Technical Education Districts and restore funding for 9th grade CTE. Support additional funding for JTEDs and CTE as a proven method for decreasing the high school dropout rate. Support credit transfers for these types of programs.

CONTINUE TO SUPPORT THE USAGE OF EDUCATION DATA: Improve transparency, accountability, efficiency and effectiveness of education by collecting and utilizing data more efficiently. Modernize budget and financial reporting systems to prioritize spending and reduce unnecessary costs. Reduce redundant regulatory and compliance cost by lessening administrative overhead associated with data collection. Provide timely, accurate and meaningful information on educational outcomes by students and teachers – both current and over time – to improve teaching effectiveness and enhance research into education best practices.

IMPROVE SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS EDUCATION: Support policies to improve STEM education at all levels so that Arizona students master a baseline of knowledge that will prepare them for postsecondary education or careers that require advanced math and science skills. Restore funding for proven scholarship programs for teachers of math, science and special education.

RECRUIT AND MAINTAIN HIGHLY EFFECTIVE TEACHERS AND ADMINISTRATORS: Support differentiated and performance-based pay, alternative pathways to teaching careers and successful ongoing professional development and mentoring

programs. Develop plans to increase the number of effective teachers and principals in high-poverty schools and hard-to-teach subjects. Support differentiated pay and loan forgiveness programs for math and science teachers.

SUPPORT THE ONGOING IMPLEMENTATION OF THE TEACHER AND PRINCIPAL EVALUATION SYSTEM: Support improved methods for assessing teacher and principal effectiveness and linking teacher performance reviews and compensation to student academic gains. Support the usage of the new evaluations to improve teacher effectiveness and drive a culture of continuous improvement in schools.

REFORM THE PROCESS FOR FUNDING SCHOOL CONSTRUCTION AND MAINTENANCE: A new school capital finance program should be put in place to replace Students FIRST while still meeting the requirements of the *Roosevelt v. Bishop* court decision. The new system should prioritize funding for maintaining and repairing existing schools; minimize the burden on the state’s general fund; encourage resource sharing for the building of sports stadiums, performing art centers and other non-academic facilities; encourage expanded utilization of new technologies; recognize performance for new schools; and improve facility funding fairness for charter schools and equitable facility resources for taxpayers and public students.

FURTHER STRENGTHEN AND DEVELOP THE STATE’S PUBLIC UNIVERSITIES AND COMMUNITY COLLEGES WITH STABLE FUNDING AND ENHANCED FLEXIBILITY:

Collaborate with the Arizona Board of Regents to build upon the existing strengths of the university system and ensure world-class research capabilities, access for qualified students and excellent workforce preparation. Support efforts to achieve stable and predictable funding that rewards performance, increases flexibility, minimizes costs of university operations, and evolve the university governance model to allow greater differentiation among universities while preserving fiduciary oversight.

Collaborate with Arizona’s system of community colleges to expand the existing high quality, affordable post-secondary opportunities for STEM and workforce training and academic transfer pathways through business, K-12 and university partnerships. Promote efforts to attain predictable and flexible

state investments that recognize each community college’s unique character, value and contribution to the Arizona citizens it serves.

ACCELERATE DEMAND OF SKILLED WORKFORCE IN CRITICAL SHORTAGE AREAS: Encourage secondary and post-secondary institutions and businesses to collaborate in order to design and create better access to educator preparation to address critical shortage areas.

LONG-TERM GOALS

ALIGN EDUCATION WITH EMPLOYER NEEDS: Support efforts to create a comprehensive education system throughout Arizona that includes state universities, community colleges, private universities, other post-secondary institutions, joint technical education districts, and CTE programs. Support efforts to make middle school students aware of future opportunities in the workforce. Actively recruit and encourage private universities to locate and expand in Arizona.

MOVE TOWARD MORE EDUCATIONAL HOURS FOR STUDENTS: Support options for more quality time on task for students by lengthening the school day and/or the school year with commensurate funding and accountability based on performance so that Arizona students can master a level of skills and knowledge that will enable them to be competitive on a global basis.

SUPPORT SCHOOL DISTRICT UNIFICATION AND CONSOLIDATION: Consolidate and/or unify school districts when operational efficiencies and/or comprehensive articulation of curricula across districts can be demonstrated and achieved.

SUPPORT STUDENT ACCESS TO A QUALITY EDUCATION: Continue to promote the ability of underserved students to attend college and to positively affect the workforce pipeline.





Jeff Homer, Co-Chairman (General Dynamics C4 Systems)



Lucas Narducci, Co-Chairman (Snell & Wilmer LLP)

PRINCIPLES

- ▶ Advocate for environmental policies that are responsive to Arizona’s unique needs based on sound science, and do not place an undue burden on the successful operation of business.
- ▶ Ensure that any new or expanded environmental regulation that is deemed necessary includes a consensus-based stakeholder process, is not duplicative of existing federal or state regulation and is cost-effective in achieving the stated environmental goals.
- ▶ Support environmental regulatory agencies that implement and oversee environmental laws and regulations in a fair and consistent manner and with a focus on compliance, not punishment.
- ▶ Ensure compliance by agencies at all levels of government with existing regulatory reform requirements, and support additional regulatory reform policies that provide for full and consistent application of the law and agency accountability.
- ▶ Encourage policies that balance the need to increase energy supplies and diversity, improve energy efficiency and protect the environment.
- ▶ Ensure that the Arizona Department of Environmental Quality or local or county entities, instead of the U.S. Environmental Protection Agency or other federal agency, administers federal environmental programs in our state where appropriate.

SHORT-TERM GOALS

SUPPORT STATE PRIMACY UNDER THE EPA CLEAN POWER PLAN: Support Arizona in defending its primacy and role under the Clean Air Act in regards to the EPA’s carbon emission reduction requirements. Support Arizona and Arizona tribal sovereign nations in developing, through extensive stakeholder collaboration, its State Implementation Plan in response to federal carbon emission reduction requirements. Support Arizona in its legal pursuit against the EPA in the event the EPA does not give deference to Arizona’s reasoned policy and technical determinations.

STREAMLINE THE EXCEPTIONAL EVENTS RULE: Support efforts that seek to streamline the process for demonstrating exceptional events. Support reasonable reforms to the Exceptional Events Rule that take into account the natural conditions of the desert southwest.

ENSURE FAIRNESS AND ACCOUNTABILITY FOR ENVIRONMENTAL FEES: Make certain that any fees put in place by government agencies are subject to strict accountability measures by requiring the agency to include detailed invoices, are periodically reviewed, and are used exclusively to provide the specific services for which they are designed and not to fund the general operations of government or help balance the state’s general fund.

SUPPORT ADEQ RECEIVING EXCESS VEI FUNDS FOR THE AGENCY’S ADMINISTRATIVE COSTS: Support the Arizona State Agency Fee Commission’s recommendation that ADEQ receive surplus Vehicle Emissions Inspection funds for administrative costs.

SUPPORT ATTAINMENT OF THE PM NAAQS: Support the state and local governmental agencies and private entities implementing the measures within the 5% State Implementation Plan for the Maricopa County PM-10 nonattainment area; developing the State Implementation Plan for the Pinal County PM-10 nonattainment area; and encouraging the Environmental Protection Agency to approve these plans. Support the state and Maricopa County in their outreach efforts to reduce PM 2.5 exceedances and achieve attainment status of the PM 2.5 NAAQS.

OPPOSE REGULATION OF COAL COMBUSTION RESIDUALS (CCR) AS HAZARDOUS WASTE: Oppose efforts by the United States Environmental Protection Agency to regulate CCR’s as hazardous waste under RCRA Subtitle C and support the approach of regulating CCR’s as non-hazardous waste to protect the environment and make available an important commodity for Arizona’s economic prosperity.

SUPPORT STATE PRIMACY UNDER THE CLEAN AIR ACT: Support Arizona’s efforts to defend its state implementation plans developed to meet NAAQS and regional haze requirements and advocate for EPA deference to Arizona’s reasoned policy and technical determinations.

SUPPORT THE WATER QUALITY ASSURANCE REVOLVING FUND (WQARF) PROGRAM: Support adequate funding to achieve the objectives of the WQARF Program as the remediation program for contaminated sites in Arizona. Ensure ADEQ interprets and implements rules as they were written in accordance with the existing statute. Encourage the Governor’s office to appoint new members to the WQARF Board so the board can achieve a quorum and provide oversight to ADEQ’s WQARF Program activities.

SUPPORT THE “MY ADEQ” ON-LINE PORTAL: Continue to support the efforts of the Arizona Department of Environmental Quality and the Arizona Department of Administration to establish the “My ADEQ” on-line portal, in particular to allow for electronic payments and reporting to ADEQ.

MAKE USE OF THE STREAMLINED RULE REFORM PROCESS AND MAXIMIZE LEAN PERMIT PROCESSING METHODS: Work with the Governor’s office and state agencies to identify rules and permitting processes that can be streamlined through administrative action or rule revision.

MONITOR STATE AND FEDERAL ENVIRONMENTAL FINANCIAL ASSURANCE REQUIREMENTS: Monitor changes to state environmental financial assurance requirements and support improvements that are reasonable for businesses while strengthening the system. Oppose any new EPA financial assurance requirements under CERCLA Section 108(b).

IMPROVE THE VOLUNTEER REMEDIATION PROGRAM: Support efforts to make the Volunteer Remediation Program more efficient, up-to-date and responsive to the needs of program participants to encourage a cleaner environment.



LONG-TERM GOALS

RESTORE GENERAL FUNDING TO ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ): Advocate for the restoration of general fund resources for ADEQ to fund the agency’s statutorily mandated operations and other core functions without the use of fees from regulated industry.

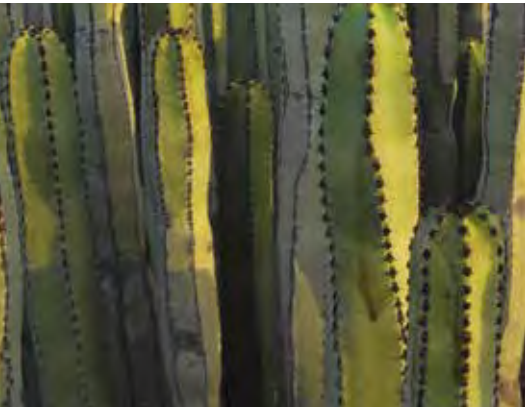
SUPPORT INCENTIVE-BASED COMPLIANCE PROGRAMS: Support state, county and local measures that create effective incentive-based programs for regulated parties who voluntarily implement environmental management systems and other environmental protections.

MONITOR THE NONATTAINMENT AREA DESIGNATION PROCESS: Advocate for new nonattainment area designations and amendments to the boundaries of existing nonattainment areas to be based primarily on measured violations of ambient standards rather than modeled violations.

MONITOR FEDERAL, REGIONAL AND GLOBAL CLIMATE CHANGE POLICY DISCUSSIONS: Review and, when appropriate, seek to influence federal climate change legislation and regulation.

ACHIEVE ENERGY INDEPENDENCE TO PRESERVE NATIONAL SECURITY AND PROMOTE ECONOMIC PROSPERITY: Remove barriers that hinder access to and efficient exploitation of all of our domestic energy resources and promote the construction of the infrastructure required to efficiently and effectively use those resources.

OPPOSE STATE MANDATED EXTENDED PRODUCER RESPONSIBILITY/RECYCLING PROGRAMS: Encourage voluntary programs in Arizona that focus on shared responsibility mechanisms for end-of-life product management. Work with state and local governments to raise awareness of the proper end-of-life management for products no longer in use by consumers. Oppose policies that would impose on manufacturers new financial or end-of-life responsibility for the collection or recycling of products that were sold in the chain of commerce and are no longer under the ownership or control of the manufacturer.



Karrin Taylor, Chairman (DMB Associates, Inc.)

PRINCIPLES

- ▶ Support a taxation system that is globally competitive, fair, consistent, easily administered and equitable and that provides revenue on the broadest possible basis at the lowest possible tax rates.
- ▶ Support efforts to responsibly balance the federal budget and reduce the national debt.
- ▶ Ensure that Arizona’s share of federal spending is proportional to the amount of federal taxes paid by Arizona businesses and citizens.
- ▶ Where appropriate, retain state or local control over programs in Arizona that would otherwise be administered by the federal government.
- ▶ Support legislation that will promote regulatory streamlining and improve agency accountability.
- ▶ Develop strong relationships with congressional leadership, staff, members of the Arizona delegation and federal agencies to ensure that Arizona business interests are well represented in Washington D.C.
- ▶ Oppose regulatory overreach.

SHORT-TERM GOALS

LEAD EFFORTS TO PROTECT ARIZONA’S MILITARY ASSETS: Organize a cohesive, statewide effort that is led by the business community, working with the Governor’s office, the Arizona Commerce Authority, Arizona’s federal delegation and leaders at the Pentagon to promote Arizona’s military assets. Highlight Arizona’s military installations and emphasize the ability of these installations to take on new missions.

ADVOCATE FOR ARIZONA’S UNIQUE INTERESTS AND CONCERNS TO BE REFLECTED IN FEDERAL REGULATIONS: Oppose regulatory overreach that disparately and

disproportionately impacts Arizona, support efforts to streamline regulations and ensure that Arizona’s distinctive characteristics are reflected. Ensure that regulations are adopted in an open, transparent manner that allows opportunity for input from stakeholders.

SUPPORT COMPREHENSIVE FEDERAL IMMIGRATION REFORMS THAT INCLUDES A MARKET DRIVEN FEDERAL FOREIGN WORKER SYSTEM:

Restructure the federal visa program to better respond to labor market demands and, in appropriate circumstances,

make foreign worker visas permanent so that businesses and employees have more predictability in their employment situations.

Improve employer access to advanced degree holders by allowing foreign graduates of American universities to work in the United States legally.

Support legislation that allows undocumented youth who graduate from college or university or enlist in the military and meet other rigorous conditions to apply for U.S. citizenship.

Enact a guest worker program that creates a legal path to work temporarily in the United States.

Streamline the visa process for foreign investors, workers and travelers by allowing for creative solutions, including visas for property ownership and investment.

Support the creation of a fast, accurate and easy-to-use electronic employment verification system at the federal level that is adequately funded, non-discriminatory and is uniformly applied in all states. Ensure that use of the system provides real protection from state and federal penalties for employers who rely on it in good faith.

Support efforts to improve staff levels and infrastructure at our ports of entry to better facilitate international trade and travel.

SUPPORT A LONG-TERM TRANSPORTATION BILL: Work with Arizona’s congressional delegation, the Arizona Department of Transportation, and the Governor’s office to advocate for a long term transportation bill that, following the expiration of MAP-21, provides Arizona with a fair share of funds for roads, highways, airport and other transportation needs distributed transparently and with results-based accountability. Support the prioritization of funding based on congestion, safety and goods movement, and oppose earmarks for projects that do not meet these criteria. Work with the state’s congressional delegation and within the federal transportation appropriations process to ensure funding for the development of Interstate 11.

SUPPORT EFFORTS TO EXPAND TRADE AND GLOBAL COMMERCE: Advocate for federal actions, including reauthorization of the Export-Import Bank and Trade Promotion Authority for the Executive, that open new markets and create new jobs for U.S. businesses. Work toward a U.S. export control system that is more predictable, efficient and transparent and allows U.S. businesses to enter more markets that do not present a security risk. Ensure that Arizona’s ports of entry have adequate Customs and Border Patrol agents to support the flow of commerce between Arizona and Mexico.

PROMOTE FOREST HEALTH: Encourage actions to facilitate actual results for the management and thinning of the forests that make up Arizona’s watersheds by the U.S. Forest Service.

SUPPORT EFFORTS TO CORRECT TARIFFS HARMFUL TO U.S. MANUFACTURING: Encourage U.S. manufacturing jobs by supporting efforts to correct certain harmful tariffs, where government charges a higher tariff rate for import of component parts than it charges for import of a completed product. Also encourage U.S. Manufacturing jobs by supporting reduction or elimination of tariffs for nondomestically produced components (which are not available in the U.S.) used in the assembly of products in the U.S.

SUPPORT THE PERMANENCY OF THE FEDERAL RESEARCH AND DEVELOPMENT TAX CREDIT: Improve certainty for U.S. companies investing in research and development activities by making the federal R&D tax credit permanent rather than continuing to extend the credit temporarily.

SUSTAIN AND EXPAND ARIZONA’S POSITION AS A LEADER IN UNMANNED AIRCRAFT SYSTEMS (UAS): Work with key stakeholders to secure Arizona’s position as a leading location for research and development, manufacturing, and testing of UAS.

SUPPORT EFFORTS TO FACILITATE PHYSICIAN TRAINING: Support efforts to modernize the system for funding Graduate Medical Education so that the funds are allocated more fairly among the states, caps are not artificially low, funding is more transparent and linked to performance metrics, and providers are better able to start new residency programs where needed.

SUPPORT A UNIFORM AND COHESIVE SYSTEM FOR THE COLLECTION OF STATE AND LOCAL TAXES FROM REMOTE SELLERS: Support the Marketplace Fairness Act to address the Supreme Court ruling in *Quill Corporation v. North Dakota* and provide for the collection of tax by retailers located out-of-state.

SUPPORT THE SOUTHEAST ARIZONA LAND EXCHANGE AND CONSERVATION ACT: Support legislation that would allow federal land to be swapped with land owned by Resolution Copper Mining in order to move forward with the Resolution Copper Mining project in Superior, Arizona.

SUPPORT EFFORTS TO ENHANCE PRODUCTION OF STRATEGIC AND CRITICAL MINERALS: Support federal legislation that enhances production of Arizona’s rich mineral resources on federal lands.

ENSURE PUBLIC ACCESS TO PUBLIC LANDS DURING A GOVERNMENT SHUTDOWN: Support federal legislation that would require the federal government to enter an agreement with any state or municipality that offers non-federal funds to reopen and temporarily operate public lands including national parks, national monuments, and national recreation areas during a government shutdown.

OPPOSE HARMFUL MANDATES CONTAINED WITHIN THE PATIENT PROTECTION AND AFFORDABLE CARE ACT: While maintaining our strong support of Arizona’s choice to restore and expand eligibility for the Arizona Health Care Cost Containment System, oppose harmful mandates and restrictions contained within the Patient Protection and Affordable Care Act, and support the following:

- Repeal of the Health Insurance Tax because it results in higher insurance premiums for small businesses and family plans.
- Repeal of the Reinsurance Tax because it negatively impacts self-insured employers who will receive no benefit from the tax.
- Repeal of the Medical Device Tax because it is detrimental to Arizona’s manufacturers who may be incented to send their manufacturing jobs abroad to avoid the harmful tax.

Restoring the definition of a full-time employee from 30 hours back to 40 hours for the purpose of required health care coverage.

Restoring disproportionate share hospital payments for at least two years as policymakers work through the uncertainty in coverage provided through the Federally Facilitated Marketplace.

Eliminating certain mandates and regulatory burdens of the PPACA that create significant distortions in the health care system, including insurance provider choice restrictions from the essential health benefits mandate.

LONG-TERM GOALS

SUPPORT THE RULE OF REASON IN ANTITRUST LAW: Protect U.S. brands and American jobs by supporting the “Rule of Reason” and opposing efforts to repeal the Supreme Court’s sound antitrust decision in the *Leegin* case.





Nick Goodman, Chairman (MomDoc)



PRINCIPLES

- ▶ Ensure statewide access to high quality health care.
- ▶ Maximize market-based solutions to reduce the large number of uninsured Arizonans.
- ▶ Decrease government cost-shifting through adequate state funding for the Arizona Health Care Cost Containment System (AHCCCS).
- ▶ Promote free market delivery of, and payment for, health care services and state authority over health care policy.
- ▶ Champion market-based innovations to provide meaningful information to aid in patient purchasing and provider decisions.
- ▶ Support the innovative, cost-effective and appropriate use of technology throughout the health care industry.
- ▶ Advocate for a cost-effective and equitable civil litigation system and regulatory environment that encourages health care professionals to practice in Arizona.
- ▶ Oppose price controls, marketing and rating restrictions, unnecessary and costly benefit and coverage requirements and other government mandates or public funding cuts that would threaten network adequacy.
- ▶ Support the cost-effective prevention of illness and management of chronic disease, the promotion of wellness and the integration of physical, behavioral and oral health.
- ▶ Encourage utilization of the sunrise process for scope of practice related policy.
- ▶ Recognize that efforts should be made to ensure that AHCCCS - which has been one of the nation's leading public private health care partnerships - will remain focused on being a model for cost efficiencies, innovative delivery of care, and the integration of physical and behavioral health.

SHORT-TERM GOALS

REDUCE HEALTH CARE COSTS FOR BUSINESS: Reduce cost shifting, known as the “hidden health care tax,” to businesses and individuals by adequately reimbursing providers for care rendered to patients on Medicare and AHCCCS. Advocate for adequate state and federal funding for AHCCCS and Medicare coverage.

SEEK WAYS TO PURSUE STATE AUTONOMY AND MARKET-BASED HEALTH INSURANCE REFORMS: Monitor DOI rulemaking related to the Affordable Care Act and support state regulation of health insurance to the extent possible.

SUPPORT AN INCREASED NUMBER OF HEALTH CARE WORKERS STATEWIDE: Support efforts to train and recruit physicians, nurses and other health care professionals in both rural and urban areas of the state. Support the restoration of state funding for Graduate Medical Education (GME), which provides funding for provider residencies in order to draw down federal matching funds. Seek opportunities to support increased fellowships. Oppose federal legislation that would reduce funding for Indirect Medical Education (IME). Support efforts to modernize the federal system for funding GME so that the funds are allocated more fairly among the states, caps are not artificially low, funding is more transparent and linked to performance metrics, and providers are better able to start new residency programs where needed.

MAINTAIN SUPPORT FOR ARIZONA'S MEDICAL SCHOOLS: Advocate for continued state support of Arizona's public medical schools, and advocate for resources and policies that support all of Arizona's medical schools for the purpose of developing the talent pipeline and addressing statewide workforce needs for Arizona's health care industry.

PROVIDE PROTECTIONS FOR BUSINESS ASSOCIATES THAT MATCH PROTECTIONS FOR COVERED ENTITIES SUBJECT TO HIPAA: Include business associates under the same “safe harbor” that applies to covered entities with respect to state laws regarding the breach of security systems and discarding and disposing of records containing personal identifying information.

SUPPORT THE DEVELOPMENT AND DEPLOYMENT OF HEALTH INFORMATION TECHNOLOGY (HIT) AND HEALTH INFORMATION EXCHANGE (HIE): Continue to support the efforts of the Arizona Health-e Connection, Arizona Strategic Enterprise Technology and the Health Information Network of Arizona to create and expand electronic medical record systems that are interoperable, improve access to healthcare information and reduce costs while protecting data from inappropriate discovery and unauthorized use.

PRIORITIZE LEGISLATIVE EFFORTS: In light of sweeping federal reforms that are dramatically changing the health care industry and delivery systems, encourage state lawmakers to prioritize legislation in a way that balances the impact on business and individuals relative to quality care affordability, industry and delivery systems, encourage state lawmakers to prioritize legislation in a way that balances the impact on business and individuals relative to quality care and affordable costs.

LONG-TERM GOALS

REFORM THE HEALTH CARE LIABILITY SYSTEM: Support legislation to curb lawsuit abuse, reduce the costs of litigation and require specific standards for proof of injury claims. Support proposals to limit the cost of health care provider liability insurance, reduce the number of professional liability lawsuits and limit the amount of medical malpractice payouts in order to attract more health care professionals to Arizona and bring down the costs of health care.

SUPPORT INNOVATIVE METHODS FOR PROVIDING HEALTH CARE IN RURAL ARIZONA: Support cost-effective access to quality medical services statewide, with a special focus on underserved rural areas. Advocate for the advancement of telemedicine technology and services; for distance learning for health care professionals through the increased use of telemedicine; and for the use of alliances, partnerships and other incentives to increase the availability and access to integrated care.





Steven Twist, Chairman (Services Group of America) John Mangum, Vice-Chairman (Law Offices of John K. Mangum, P.C.)

PRINCIPLES

- ▶ Arizona’s legal system for settling disputes should be fair and responsive to the needs of civil litigants. Appropriate checks and balances should be assured in the process of adopting court rules.
- ▶ The same principles of reasonable and constitutional checks and balances that apply to Arizona’s branches of government should apply to state regulatory agencies, including the Arizona Corporation Commission. Support appropriate balance of power and accountability among the courts, the Legislature, the executive branch and the Corporation Commission. Regulatory accountability and transparency should help lawmakers and regulators balance the benefits and costs of regulations while protecting the rights of the regulated. Ensure that any new or expanded regulation that is deemed necessary includes a thorough and transparent stakeholder process.
- ▶ The financial services industry should be allowed maximum flexibility to develop innovative products and practices within the marketplace using prudent underwriting practices. Expand access to capital for qualified businesses and consumers, and promote economic growth.

SHORT-TERM GOALS

STRENGTHEN THE USE OF ECONOMIC ANALYSIS IN RULEMAKING: Support the implementation of the new requirement for the economic analysis of proposed rules to be conducted by the Office of Strategic Planning and Budgeting. In light of current fiscal constraints, support a phased-in implementation that begins with the agencies and departments most in need of objective, independent and high quality analysis to supplement rulemakings. Additionally, support efforts to systematically reduce the economic burden of current regulations and provide increased protections for the regulated community to prevent the adoption of burdensome and costly regulations.

SUPPORT REMOVING THE LEGISLATIVE PROHIBITION OF BUSINESSES BEING INCLUDED IN THE VICTIMS’ BILL OF RIGHTS: Remove the legislative prohibition that excludes businesses from the rights afforded to victims of crime.

SUPPORT REGULATORY ACCOUNTABILITY: Encourage the ongoing legislative and agency review of existing regulations to determine whether they are cost effective, and provide increased authority to automatically repeal regulations that are more stringent than federal standards. Absent emergencies, consider a delayed effective date for all regulations to enable an affected

person or entity to review and challenge. Improve the ability of the regulated community to repeal agency policies that are actually regulatory requirements. Support measures to curtail the use of the exempt rulemakings that reduce public input and accountability. Ensure that the economic analysis of any proposed new rule is truly objective and reflects the costs created by federal and state legislative requirements as well as the incremental regulatory costs. Oppose efforts by cities and other municipal governments to charge fees for basic services. Restrain the ability to revoke licenses without a showing of harm to health or safety, or fraud. Support efforts to put parameters on the third party appeals to permitting process in order to avoid costs and fees for frivolous appeals.

EXTEND THE REGULATORY MORATORIUM: Continue supporting the moratorium on rulemakings at the state level and extend the moratorium to the cities and counties in order to suspend all rulemakings that add costs to business and that are not required by federal law, necessary for public safety or enable the appropriate aligning and streamlining for state and federal regulations to facilitate business operations. Further, encourage Congress to adopt a regulatory moratorium at the federal level.

SUPPORT FURTHER TORT REFORM: Continue to improve Arizona’s tort and legal system so it is viewed favorably in the marketplace. Work to transition Arizona to a modified comparative fault state. Oppose measures that would inflate settlement values and prolong the litigation process.

EXPEDITE BUSINESS PERMITTING AND LICENSING PROCESSES: Continue to streamline processes and maximize the use of technology to make it quicker and easier for businesses and professionals to get the permits and licenses necessary to operate at state, county and city levels. Support efforts to fund the establishment of online licensing and permitting databases for agencies. Encourage the creation of a Web-based one-stop shop for business start-ups.

ENSURE FAIR AND OPEN REGULATORY ACTIONS BY GOVERNMENT ENTITIES: Strengthen the Regulatory Bill of Rights at the state, county and city levels. Support appropriate balance of power and accountability between the Legislature, the executive and the Corporation Commission. Encourage efficiency, transparency and consistency with respect to government procurement processes, open meetings, agenda uniformity, advance notice of action, public records, and the ability of stakeholders to comment on proposals at the state, county and city levels.

ENSURE THE FREEDOM TO CONTRACT: Uphold the agreement of parties to a contract regarding limitation of liability, scope of damages, payment methods and timing.

CREATE A SUPPORTIVE ENVIRONMENT FOR UTILITY INVESTMENTS: Encourage the Arizona Corporation Commission to promote utility investment in Arizona in order to enhance the reliability of energy for business operations by timely recovery of capital investments and by creating greater predictability around a fair rate of return on that investment.

IMPROVE THE COURT SYSTEM: Support changes to the legal system that allow civil cases to be resolved in a timely manner. Encourage continued, constructive dialogue between the Legislature, the courts and the business community regarding legal and judicial reform issues. Improve the system of merit selection and the process for the retention of judges. Support the establishment of a business court designed to expedite business proceedings, and to attract judges who have business experience and expertise.

LONG-TERM GOALS

PROTECT GAINS MADE FOR CIVIL JUSTICE REFORM: Preserve the work that has been done to improve our civil justice reform environment, including:

- The right to an interlocutory appeal for class action lawsuits.
- Protection from punitive damages in product liability cases where the business followed all applicable laws and regulations.
- The cap on appeal bonds to ensure that defendants have full access to the appeals process.
- Recovery of attorney fees on frivolous cases.
- Improvement of jury service.
- The cap on post-judgment interest rates.
- Extension of the Lengthy Jury Trial Fund.

SUSTAIN SOUND SCIENCE IN THE REGULATORY ENVIRONMENT: Ensure proper implementation of the requirement that regulatory agencies base all rulemaking proceedings on objective scientific standards in the adoption and application of administrative rules and hearings.

PROHIBIT THE USE OF PUBLIC NUISANCE STATUTES IN ENVIRONMENTAL LIABILITY AND PRODUCT LIABILITY CASES: Support legislation to prohibit the inappropriate use of public nuisance statutes to create new causes of action against businesses when environmental or product liability claims are otherwise invalid.

PROMOTE FAIRNESS IN LICENSE AND PERMIT REVOCATION: Unless contrary to existing law, no license or permit to engage in any profession, occupation, or business activity should be revoked or suspended in a civil proceeding unless it is shown by clear and convincing evidence that the holder of the license or permit knowingly violated a clearly articulated standard of conduct.

IMPROVE THE CIVIL LITIGATION SYSTEM: Support appropriate changes in civil procedure rules and/or legislation to provide a legal system that promotes prompt resolution of disputes, fairness and certainty, and curbs civil lawsuit abuse. Reduce the costs of litigation. Protect due process rights.

SECURE PROPERTY RIGHTS AND PROTECTIONS: Protect private property rights. Prohibit governmental agencies from issuing subpoenas or seizing papers without reasonable cause. Oppose diminishment of longstanding confidentiality rights. Secure traditional protections for personal and business records and information. Support the right to maintain confidential communications with legal counsel. Encourage expanded federal intellectual property rights protection for American companies.

PROMOTE FREE MARKET DELIVERY OF FINANCIAL SERVICES: Oppose limits on interest rates, where appropriate. Oppose restrictions on fees, additional regulation on the financial services industry, duplicative or inconsistent privacy and security requirements, restrictions that would inhibit legitimate business use of personal identifying and credit information and government interference in contracts.



Bob Henry, Chairman (Snell & Wilmer LLP)

MISSION

The Real Estate and Community Development industry is critical to the economic vitality of the state of Arizona. The Committee will focus its efforts on enhancing the industry by improving the state’s labor, tax and regulatory environment, and by marketing the industry as an economic driver.

GOALS

PROMOTE A REGULATORY ENVIRONMENT THAT ENCOURAGES ECONOMIC GROWTH: Facilitate a legal and regulatory environment in the state of Arizona that fosters both short-term and long-term real estate and community development growth. Support efforts to systematically reduce the economic burden of current regulations and provide increased protections for the regulated community to prevent the adoption of burdensome, inequitable and costly regulations. Expedite regulatory approval time frames at the state, county and local levels.

ENSURE THAT EMPLOYERS HAVE ACCESS TO A QUALITY WORKFORCE: Encourage efforts to sustain and grow a skilled and affordable workforce. Restructure the federal visa program to better respond to labor market demands so that businesses and employees have more predictability in their employment situations.

FURTHER IMPROVE ARIZONA’S TAX CLIMATE: Support a taxation system that is locally, regionally and globally competitive, fair, consistent, easily administered and equitable and that provides revenue on the broadest possible basis at the lowest possible tax rates. The taxation system should stimulate economic growth, encourage capital investment in Arizona, promote a business climate that enhances economic vitality and improve the quality of life for all Arizonans. The taxation system should also include a simplified and uniform transaction privilege tax system across jurisdictions and encourage competitive rates. With regard to fees, the Chamber will work to ensure that any fee put in place by a government entity is necessary and subject to strict accountability measures.

MARKET THE REAL ESTATE INDUSTRY IN ARIZONA: Promote the importance of the real estate industry to Arizona’s economic growth and prosperity.



Dean Riesen, Chairman (Rimrock Partners, LLC)

PRINCIPLES

Support a taxation system that is globally competitive, fair, consistent, easily administered and equitable and that provides revenue on the broadest possible basis at the lowest possible tax rates. The taxation system should stimulate economic growth, encourage capital investment in Arizona, promote a business climate that enhances economic vitality, ensure the privacy of confidential taxpayer information, and improve the quality of life for all Arizonans. The taxation system should also avoid inequities and distortions that are impediments to broadly lowering tax rates; thereby treating all business fairly. To that end, the taxation system should:

- ▶ **Property Tax**
Reduce disparities that unfairly single out business or other non-residential property for disproportionate taxation.
- ▶ **Income Tax**
Reduce and flatten income tax rates for businesses and individuals to enhance economic growth and competitiveness with other states and nations, and ensure income is fairly apportioned for all business types.
- ▶ **Sales Tax**
Promote a simplified and uniform transaction privilege tax system across jurisdictions and encourage competitive rates.
- ▶ **Fees**
Make certain that any fee put in place by a government entity is subject to strict accountability measures, is used exclusively to provide the specific services for which it is designed and, where appropriate, is temporary in nature.

SHORT-TERM GOALS

PROTECT AND SUPPORT FULL IMPLEMENTATION OF RECENT TAX REFORMS: Support implementation of the various tax reforms that have phased in or will start to phase in, including but not limited to corporate income tax reductions, capital gains tax reductions, assessment ratio reductions, personal property exemptions, and sales factor.

SUPPORT EFFORTS TO INDEX THE STATE’S INDIVIDUAL INCOME TAX TO INFLATION: Support efforts to permanently adjust the individual income dollar amounts for each tax bracket in accordance with the average annual change in the Consumer Price Index for metropolitan Phoenix.

ALIGN ARIZONA’S DEPRECIATION POLICY WITH THE FEDERAL TAX CODE: Support efforts to increase business investment through accelerated property depreciation by ensuring that the maximum allowable state deduction never falls below \$500,000.

REDUCE CAPITAL GAINS TAXES: Stimulate investment by further reducing taxes on capital gains by increasing the size of the existing deduction for capital gains income from 25% to 57% in order to better align Arizona’s tax code with that of the federal government.

REDUCE THE INSURANCE PREMIUM TAX RATE: Reduce the insurance premium tax rate so that the premium tax burdens borne by insurance companies are at a level commensurate with the corporate income tax burdens imposed on their noninsurance company counterparts.

SUPPORT SALES AND USE TAX UNIFORMITY AND SIMPLIFICATION: Continue to support the implementation of, including potential staffing and/or technology needs at the Department of Revenue, reforms to the transaction privilege tax (TPT) and use tax that create greater uniformity between state, county and city tax bases, standardize tax imposition and definitional language, and facilitate implementation of any federal legislation related to sales and use tax collection by remote sellers. Continue to look for ways to improve the system to simplify the tax systems and reduce tax compliance costs on business. Ensure that any new revenue, including from taxation on remote purchases, is used in the most competitive, responsible way.

AVOID DOUBLE TAXATION OF PRODUCTS MANUFACTURED IN ARIZONA: Expand the existing transaction privilege tax exemption for direct materials incorporated into a manufactured product to include indirect materials used in the production process.

DO NOT HARM THE ECONOMY THROUGH TAX INCREASES: Oppose efforts to prevent scheduled property and income tax reductions or increase taxes that would make Arizona a less competitive business location, such as expanding of the sales tax base to include business-to-business services, eliminating or suspending proven economic development incentives, enacting significant fee increases or increasing the Qualifying Tax Rate (QTR), which would drive up local property taxes.

LIMIT AGENCY FEE SETTING AUTHORITY AND PREVENT FUND SWEEPS: Make certain that any fee increase put in place by a government entity is subject to strict accountability measures. Where appropriate, ensure that the fee is temporary in nature and is used exclusively to provide the specific services for which it is designed and not to fund the general operations of government entities or to help balance the general fund. Reinstate through legislation in a fiscally responsible way any fees that have already been swept when the state’s fiscal situation improves. Establish a path to return agencies to general fund funding rather than exclusively user fee-based funding.

MAINTAIN A COMPETITIVE RESEARCH AND DEVELOPMENT TAX CREDIT: Study the state’s research and development tax credit to ensure it continues to be competitive with other locations and serves as a powerful business retention and recruitment tool. Permanently extend the current structure of the credit beyond 2018.

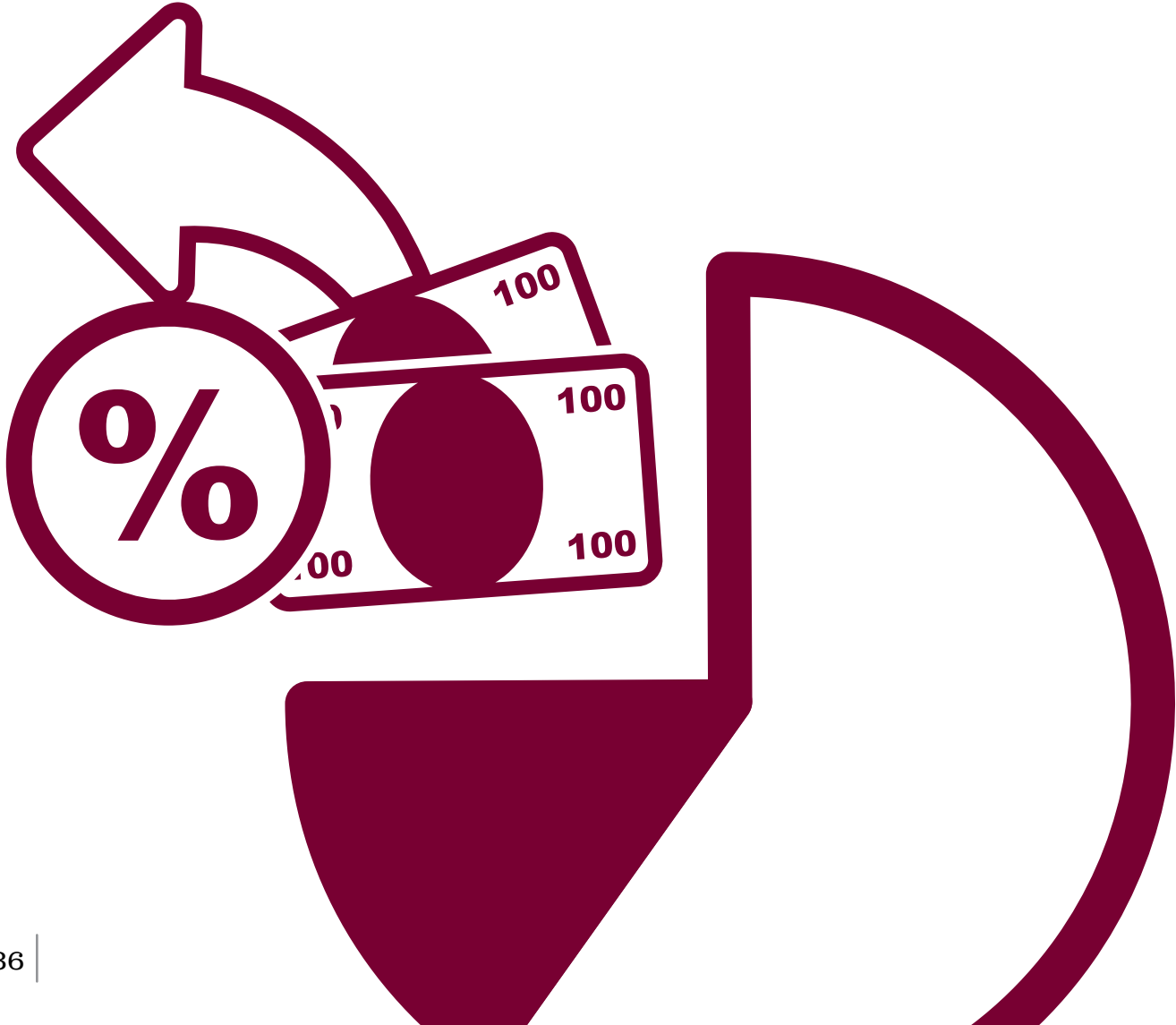
ENACT A COHESIVE SYSTEM FOR THE COLLECTION OF STATE AND LOCAL TAXES FROM REMOTE SELLERS: Encourage the U.S. Congress to enact legislation to address the Supreme Court ruling in *Quill Corporation v. North Dakota* regarding the ability of states to enforce the collection of tax by remote sellers located out of state.

SUPPORT FEDERAL TAX POLICY THAT IMPROVES AMERICA’S GLOBAL COMPETITIVENESS: Improve certainty for taxpayers by making permanent all of the tax reductions, including the capital gains tax, dividends tax, income tax and estate tax reductions, among others. Support efforts to responsibly balance the federal budget and reform major drivers of the national deficit and debt, including Medicare and Social Security, that could result in future tax increases if not properly addressed in the short term.

LONG-TERM GOALS

ENCOURAGE THE GROWTH OF ARIZONA-BASED INTANGIBLE SERVICE PROVIDERS: Expand the enacted elective 100% sales factor for service providers, which includes an option that allows either market-based or cost-of-performance sourcing to providers of intangible services (i.e., rental, leasing and licensing activities).

MOVE TOWARDS MORE COMPETITIVE BUSINESS PROPERTY TAX RATES: Continue reducing the assessment ratio for business property taxes with the long-term goal of reaching uniformity with residential property taxes. Support a single assessment ratio for all types of property. Permanently eliminate state equalization assistance property tax rate.



Bill Terry, Chairman (IBM Corporation)

PRINCIPLES

- ▶ Promote the importance of key technology sectors to the state’s future economic success.
- ▶ Encourage innovative solutions that increase access to private capital by start-up and early-stage businesses across the state in order to support the development of new businesses and increase economic diversification.
- ▶ Public policy in the area of cyber security should be constrained to efforts to protect information within the public domain, not focused on the regulation of private business’ commercial applications.

SHORT-TERM GOALS

MAINTAIN A COMPETITIVE RESEARCH AND DEVELOPMENT TAX CREDIT: Study the state’s research and development tax credit to ensure it continues to be competitive with other locations and serves as a powerful business retention and recruitment tool. Permanently extend the current structure of the credit beyond 2018.

LONG-TERM GOALS

PROMOTE UNIVERSITY RESEARCH AND TECHNOLOGY COMMERCIALIZATION: Increase private sector funding of research and development at state universities. Increase receipts of federal research grants. Facilitate the ownership of intellectual property rights resulting from joint research efforts. Foster the commercialization of innovations developed in universities by industries in Arizona.

EXPAND BROADBAND CONNECTIVITY THROUGHOUT THE STATE: Support policies that remove regulatory barriers and reduce government-driven costs that inhibit private investment in expansion of broadband services in Arizona. Promote fair competition in the expansion of privately funded and constructed communications infrastructure throughout Arizona and support voluntary private sector efforts to improve broadband adoption.



Debbie Johnson, Chairman (Arizona Lodging and Tourism Association)

PRINCIPLES

- ▶ Promote policies that strengthen Arizona’s position as a highly desirable business and leisure travel destination.
- ▶ Support efforts to market Arizona as a top visitor destination.
- ▶ Protect and enhance the image of Arizona as a positive and attractive place to visit and do business.
- ▶ Support policies that encourage international travel.

SHORT-TERM GOALS

SUPPORT EFFORTS TO EXPAND CROSS-BORDER TOURISM THROUGHOUT THE STATE: Expand the current border crossing card’s 75 mile border zone to include the entire state of Arizona.

PROMOTE TOURISM AWARENESS: Increase awareness of the positive economic impact of Arizona tourism to elected officials and business and community leaders.

ATTRACT MAJOR EVENTS TO ARIZONA: Position Arizona to be able to consistently attract and host major events in the state.

SEEK SUSTAINED TOURISM PROMOTION: Support a sustainable, long-term funding mechanism for state tourism promotion.

SUPPORT FEDERAL IMMIGRATION REFORM: Support immigration reform at the federal level that includes visa reform measures to facilitate travel and temporary workers, as well as directs needed resources to Arizona’s land and air ports of entry to efficiently and securely process travel into Arizona.

GUARD AGAINST UNFAIR TOURIST TAXES AND POLICIES: Discourage public policy initiatives that would unfairly tax or target Arizona visitors or the visitor industry.

SUPPORT POLICIES THAT PROMOTE MEDICAL TOURISM: Support policies that enhance Arizona’s reputation as a world-class destination for cutting-edge health care facilities and services.

SUPPORT ARIZONA’S CULTURAL ATTRACTIONS AND DESTINATIONS: Seek ways to foster the rich cultural tourism opportunities that the state of Arizona has to offer.

LONG-TERM GOALS

SUPPORT A STRONG NATIONAL AVIATION POLICY: Support the adoption of a strong national aviation policy, enhance U.S. airline industry viability and enable airlines to increase air service.

SUPPORT INTERNATIONAL FLIGHT ARRIVALS AND DEPARTURES: Support efforts to lure more international airline arrivals and departures from Arizona airports.

PROVIDE A SAFE ENVIRONMENT FOR TOURISTS AND TRAVELERS TO VISIT: Support legislation aimed at reducing the act of human trafficking.



Jerry Fuentes, Chairman (AT&T Arizona/New Mexico)

PRINCIPLES

- ▶ Support efforts to enhance Arizona’s global image as a positive and attractive place to do business.
- ▶ Support policies that attract and retain import and export-oriented businesses and that encourage international trade.
- ▶ Advocate for trade agreements that eliminate tariffs and non-tariff barriers to trade, and policies such as modernized export control policies that encourage access to international markets for U.S. goods.
- ▶ Encourage the development of trade-facilitating infrastructure such as airports, land border ports of entry, railroads and highways.
- ▶ Continue promoting policies that foster economic growth for emerging markets.

SHORT-TERM GOALS

SUPPORT THE LONG-TERM VIABILITY OF THE MEXICO CITY TRADE OFFICE: Support a long-term investment in the Mexico City Trade Office for the purpose of improving trade relations with Mexico and strengthening Arizona’s economic opportunities.

SEEK TO OPEN NEW MARKETS FOR ARIZONA BUSINESS: Work with the Arizona Commerce Authority to advocate for increased access to new markets for Arizona businesses through the enhanced deployment of trade delegations and local trade promotion offices in strategic international locations.



SUPPORT EFFORTS TO EXPAND TRADE AND GLOBAL COMMERCE: Advocate for federal actions, including reauthorization of the Export-Import Bank, that open new markets and create new jobs for U.S. businesses. Work toward a U.S. export control system that is more predictable, efficient and transparent and allows U.S. businesses to enter more markets that do not present a security risk.

LONG-TERM GOALS

SUPPORT IMPROVEMENTS TO STATE ROUTE 189/ MARIPOSA ROAD: Promote the immediate completion of improvements to State Route 189/Mariposa Road that connects the Mariposa Port of Entry with Mexico to Interstate 19 using a stoplight free route in order to create a safe and efficient transportation corridor that will improve the competitiveness of the State of Arizona and the United States export and import-oriented industries.

SUPPORT AN INCREASE IN CUSTOMS AND BORDER PROTECTION OFFICERS AT ARIZONA INTERNATIONAL PORTS OF ENTRY: Support efforts at the federal level to provide additional Customs and Border Protection officers at Arizona international ports of entry in order to make the flow of commerce across the border more timely, efficient and secure.

SUPPORT THE WORK OF THE ARIZONA-MEXICO COMMISSION: Support adequate funding for the Arizona-Mexico Commission and utilize the Commission as a tool to further strengthen Arizona’s relationship with Mexico.

ENGAGE THE PRIVATE SECTOR IN PORT MANAGEMENT AND CONSTRUCTION: Support public-private partnerships that would allow the private sector to engage in the construction and management of land border ports of entry in order to facilitate the flow of low-risk, cross-border commerce.

FURTHER DEVELOP TRADE BETWEEN ARIZONA AND MEXICO: Support legislation focused on strengthening Arizona’s relationship with Mexico, specifically addressing the development of commerce and trade.



David Berry, Chairman (Swift Transportation Corporation)

PRINCIPLES

- ▶ Promote the development, funding and implementation of a multi-modal ground and air transportation system to support Arizona’s growing population and economy and facilitate intra-state, interstate and cross border commerce.
- ▶ Support highway, road, rail and air travel safety measures to protect motorists and passengers.
- ▶ Advance the development of and access to modern and dependable technology infrastructure.

SHORT-TERM GOALS

PROTECT COMMUNITIES AND THEIR AIRPORT ASSETS: Civil and military airports and the surrounding land owners should take efforts to minimize impacts on one another so that all legally available uses may be enjoyed without loss of private property rights, economic value, and appropriate utilization of airport assets. Encourage land owners, civil and military airport stakeholders to have proactive dialogue about potential changes so that all parties may develop a consensus plan to address future uses.

FACILITATE BORDER TRANSPORTATION: Improve efficiency, add more lanes for traffic and increase hours of operation at ports of entry along the Arizona-Sonora border to facilitate tourism, legal labor mobility and the movement of safe and secure international trade.

ENSURE FAIR AND CONSISTENT POLICIES FOR UTILITY RIGHTS-OF-WAY USERS: Ensure state and local agencies with oversight authority of rights-of-ways develop and enforce policies that regulate rights-of-way users in a fair, expeditious and consistent manner.

PROTECT DEDICATED TRANSPORTATION FUNDING: Support the repayment of past sweeps of dedicated transportation funding, such as fuel taxes, vehicle and aviation license taxes and vehicle and aviation registration fees, to balance the state’s general fund. Ensure that the Highway Users Revenue Fund (HURF) and the State Aviation Fund are used only for transportation projects and airport facilities. Develop a schedule for full repayment of the funds historically taken from the HURF as soon as the state’s fiscal situation improves.

ENSURE SUFFICIENT FUNDING FOR STATEWIDE HIGHWAY AND ROAD CONSTRUCTION: Invest wisely in statewide highway and road construction to facilitate commerce and reduce congestion in order to attract and grow business. Ensure that adequate, dedicated public funding is available for current and future transportation needs. Funding mechanisms should emphasize a “user pays” model.

STRENGTHEN RAIL OPERATIONS IN ARIZONA: Support planning efforts that will enhance the efficiency and convenience with which goods and people are moved through the state. Concentrate regulation of railroads within a single regulatory agency.

SUPPORT THE DEVELOPMENT OF INTERSTATE 11: Work within the state's congressional delegation and within the federal transportation appropriations process to ensure funding for the development of Interstate 11.

SUPPORT THE DEVELOPMENT OF TOLL ROADS IN ARIZONA THAT MEET SPECIFIC CRITERIA: Support consumer-friendly, cost-effective toll road development in Arizona where appropriate on new, not-yet-committed or funded roads. Support will be conditional on meeting this and other criteria, including ensuring strict financial accountability to road users and taxpayers.

SUPPORT REASONABLE AND FAIR INTERPRETATION OF THE MOTOR VEHICLE CODE: Clarify jurisdiction of and redirect local law enforcement agencies to limit practice of issuing criminal citations to employee drivers for minor conditions of commercial vehicles and support commonsense definitions of what is considered to be a commercial vehicle.

LONG-TERM GOALS

SUPPORT A FAIR FEDERAL TRANSPORTATION BILL: Work with Arizona's congressional delegation, the Arizona Department of Transportation and the Governor's office to advocate for a federal highway bill that provides Arizona with a fair share of funds for roads, highways, airport and other transportation needs distributed transparently and with results-based accountability. Support prioritization of funding based on congestion, safety and goods movement, and oppose earmarks for projects that do not meet these criteria.

SUPPORT MEASURES TO INCREASE ROAD SAFETY: Enact a primary seat belt law and other proven measures to increase safety on Arizona's roads and highways.

PREVENT LOSS OF FEDERAL TRANSPORTATION FUNDS FOR AIR QUALITY VIOLATIONS: Ensure that Maricopa County continues to meet the required performance metrics outlined in the regional air quality plan to reduce particulate matter (PM-10) pollution that was approved by the federal Environmental Protection Agency in order to avoid federal transportation funding penalties.

SUSTAIN AIR TRANSPORTATION: Support efforts to preserve and further develop the state's commercial air service industry and encourage efficient and safe passenger and cargo operations.

SUPPORT COST EFFECTIVE AND PROVEN METHODS FOR UTILITY INFRASTRUCTURE IMPROVEMENTS AND MAINTENANCE: Support the implementation of policies for infrastructure improvements and associated maintenance actions that keep Arizonans employed, and help make Arizona attractive to business. Advocate for policies and practices at all levels of government that remove barriers that would otherwise hamper improvements and maintenance, and place the burden of cost directly upon both ratepayers and taxpayers.





Gena Trimble, Chairman (SRP) Jason Baran, Vice Chairman (SRP) Don Isaacson, Vice Chairman (Isaacson & Walsh)

PRINCIPLES

- Demonstrate the importance of Arizona’s water resources to industry, the economy and the ecology of the state in light of recent years of drought and increasing demand.
- Promote a vibrant and growing economy while maintaining good stewardship of our water, State Trust Lands, forests, minerals, wildlife and other natural resources, including vigilant defense of Arizona’s rights in the Colorado River.
- Promote the development of critical energy infrastructure, including long-range planning for utility corridors, cost-effective and proven electric infrastructure such as generation and transmission facilities, and natural gas infrastructure such as transmission, distribution and storage facilities. Advocate for legislation, regulation and policies that recognize value in the electric power grid as an asset requiring consistent maintenance, improvement and support through investments by all of those who use and operate the grid.

SHORT-TERM GOALS

SUPPORT STATE TRUST LAND REFORM: Constructively participate in efforts to develop a Trust Land reform ballot proposition to improve the management and planning of Arizona’s Trust Land and to maximize revenues to the trust for the benefit of the public schools and other beneficiaries. Proposals should be fiscally responsible, provide adequate funding for planning and management of Trust Land, provide regulatory accountability and minimize, to the extent possible, any negative unintended consequences on business.

EXPEDITE PERMITTING FOR NEW OR EXPANDING NATURAL RESOURCE PERMITS: Support state agency efforts to facilitate appropriate processes and government reforms, including electronic improvements for new or expanding natural resource permits so that the entire natural resource industry can continue to be an important part of the state’s economy.

LONG-TERM GOALS

SUPPORT SUFFICIENT FUNDING FOR WATER AND LAND MANAGEMENT:

Ensure Arizona Department of Water Resources (ADWR) funding is sufficient and primarily supported by general funding for the Department to fulfill completely all of its statutorily mandated responsibilities, including its role as technical advisor to the Court in the State Water Adjudications.

Ensure the State Land Department is sufficiently funded and primarily supported by general funding to allow for timely and appropriate planning and conveyance of State Trust Lands to maximize the return to the trust beneficiaries.

Ensure the Arizona Corporation Commission is sufficiently funded and primarily supported by general funding to permit timely processing of all permits and regulatory actions and appropriate resolution of regulated water company rate cases addressing investment in water and wastewater infrastructure in the state.

PROMOTE SOUND WATER MANAGEMENT: Promote sensible water conservation policies and sound water management, including maximizing the beneficial use of water and water reuse.

PROMOTE THE DEVELOPMENT OF CRITICAL WATER INFRASTRUCTURE: Support long-range planning for critical water infrastructure, including transmission corridors, power supplies and distribution. Planning for critical water infrastructure should be done in coordination with water supply development, transportation corridors and planning for critical energy infrastructure.

SUPPORT THE CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT (CAGRD): Support the continued implementation of the CAGRD’s plan of operation. Support the CAGRD’s ability to meet current and future recharge obligations.

SUPPORT THE CONTINUATION OF THE NAVAJO GENERATING STATION: Support the continued operation of the Navajo Generating Station as a cost-effective energy resource for Arizona homes and businesses as well as to convey water through the Central Arizona Project (CAP) aqueduct.

OPPOSE FEDERAL OVER-REGULATION OF INDUSTRIAL FACILITIES: Oppose federal regulations that impose undue costs which needlessly jeopardize the operations of smelters, cement plants, coal-fired generation facilities, and other industries that benefit Arizonans.

PROMOTE FOREST HEALTH: Encourage actions to facilitate actual results for the management and thinning of the forests that make up Arizona’s watersheds by the U.S. Forest Service.

SUPPORT THE CONTINUATION OF THE ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION: Ensure the Arizona Navigable Stream Adjudication Commission is sufficiently funded and primarily supported by general funding in order to conclude the process of determining the navigability of streambeds in Arizona at the time of statehood. This will clear title to the many lands adjacent to historic streambeds that are currently clouded.

PROTECT ARIZONA’S MAXIMUM COLORADO RIVER WATER SUPPLY: Support protection of Arizona’s water rights and entitlements in the Colorado River and elsewhere, including continued support for the implementation of the Lower Colorado River management and shortage sharing agreement criteria, Colorado River augmentation, and efforts to increase the reliability of the Colorado River including activation of the Yuma Desalting Plant to maximize Arizona’s interests.

SUPPORT THE WATER RIGHTS ADJUDICATION PROCESS: Ensure the Department of Water Resources and the Superior Court are funded sufficiently to make substantial progress in the adjudication of in-state surface water rights claims. This will ensure the process remains in the jurisdiction of the state, rather than federal, courts.

SUPPORT NATURAL RESOURCES INDUSTRIES: Support policies that further the existence and continued growth of natural resources industries through the use of science and technology, including mining, oil and gas, agriculture, ranching, timber and biomass energy so they can continue to provide and expand job opportunities throughout the state while promoting good stewardship of the state’s natural resources. Monitor legislative, regulatory and initiative proposals that affect natural resources industries.

ENCOURAGE NATURAL GAS STORAGE: Adopt legislation or rules to facilitate natural gas storage.

DIVERSIFY ENERGY SUPPLY: Encourage diversification of energy supply including renewables, advanced nuclear and advanced coal technologies. Support distributed generation, such as combined heat and power, for businesses and other consumers.

PROMOTE THE DEVELOPMENT OF CRITICAL ENERGY INFRASTRUCTURE: Support long-range planning for utility corridors, transmission, substations and natural gas distribution and storage.



Ellen Poole, Co-Chairman (USAA) Dave Selden, Co-Chairman (The Cavanagh Law Firm)

PRINCIPLES

- ▶ Maintain competitive workers’ compensation insurance premiums.
- ▶ Limit abuse throughout the workers’ compensation system.
- ▶ Improve injured worker care and minimize time off the job.
- ▶ Protect the integrity and success of Arizona’s workers’ compensation system by preserving mandatory coverage requirements for all Arizona businesses, either through insurance or self-insurance, and maintaining the requirement that workers must make pre-injury election of remedies.
- ▶ Maintain and further develop a competitive labor environment that is adaptable to the needs of employers and respectful of the rights of employees.
- ▶ Allow employers to establish their own workplace policies without burdensome government mandates and regulations.
- ▶ Support immigration laws that improve employer access to legal workers, restructure the federal foreign worker system, curtail identity theft, crack down on the cash economy, enable businesses to hire and easily verify workers, and reimburse Arizona’s state, county, and local governments and private enterprises for bearing disproportionate financial responsibility for the current federal immigration system.
- ▶ Ensure an affordable, stable, competitive and high quality property and casualty insurance system.
- ▶ Ensure a fair and competitive system of unemployment insurance.

SHORT-TERM GOALS

REESTABLISH THE INDUSTRIAL COMMISSION’S ROLE AS THE JURISDICTION FOR BAD FAITH CLAIMS: Increase the penalties that can be levied by the Industrial Commission for violations. Eliminate the ability for a claimant to be awarded punitive damages in Superior Court.

SUPPORT WAGE LAWS THAT ENCOURAGE WORKFORCE ENTRY, JOB GROWTH: Seek to expand opportunities to allow Arizonans to enter or re-enter the workforce by encouraging voters to improve the state’s existing minimum wage law, specifically the automatic escalator, due to its impact on job creation, job retention and performance-based pay for all workers. Support efforts

to ensure wage laws are the domain of the state and prevent the establishment of city-level wage laws that could result in a minimum wage different than the state's.

CONTROL COSTLY AND UNNECESSARY PHYSICIAN DISPENSING OF REPACKAGED DRUGS: Limit or prohibit the dispensing of repackaged drugs by physicians in workers' compensation cases.

OPPOSE COSTLY REGULATIONS: Oppose workers' compensation laws and regulations that will increase the cost of workers' compensation coverage for employers.

SUPPORT THE ESTABLISHMENT OF EVIDENCE-BASED MEDICAL STANDARDS: Encourage the Industrial Commission to expeditiously develop a comprehensive set of guidelines for the most frequently occurring work injuries and implement a process for the use of evidence-based medical treatment guidelines where appropriate to treat injured workers in order to reduce costs and minimize the time injured employees are unable to work. Evidence-based medicine standards should meet the medical needs of workers' compensation patients and be workable for health care providers. These standards should apply as broadly as possible and may also include guidelines for supportive care / medical maintenance.

PROTECT EMPLOYERS FROM UNNECESSARY REGULATORY INTERFERENCE: Support legislation that clarifies the standards of proper classification of an independent contractor versus an employee.

MAINTAIN EMPLOYERS' RIGHTS TO DETERMINE EMPLOYMENT POLICIES: Protect employers' rights to determine employment policies and practices. Oppose measures that restrict employers' enforcement of workplace safety policies, create new licensure requirements for security personnel, dictate hiring, leave, or compensation policies, mandate staffing ratios, require access to personnel documents, restrict the use of drug and alcohol testing or weapons policies or interfere with customer service standards. Prevent state and local governments from requiring private sector contractors to meet specific wage or benefit levels as a condition of securing a public contract.

PROTECT PRIVATE PROPERTY RIGHTS: Support the private property rights of employers, including the right to establish weapons policies and other workplace safety regulations. Oppose measures that would allow law enforcement agencies or prosecutors to issue subpoenas for business records without meeting a standard of cause before a court of law.

ENSURE THAT STATE IMMIGRATION LAWS DO NOT HARM LEGITIMATE BUSINESSES: Educate employers on how to comply with state immigration laws related to hiring practices. Protect employers who use the federal employment verification program from investigation and prosecution by state authorities. Prevent employees who use fraudulent identification from receiving back pay in employment dispute cases.

PROTECT EMPLOYEE AND EMPLOYER RIGHTS: Maintain Arizona's right to work status.

PROTECT EMPLOYER PROPERTY: Protect employer property, reputation and business interests from damage by malicious concerted action.

PROTECT BUSINESS DUE PROCESS RIGHTS: Ensure processes for filing complaints against businesses are fair and transparent, and that law enforcement follows due process in any investigation. Work towards fair and reasonable workplace regulations, without unduly punitive penalties.

IMPROVE THE OPERATIONS OF ARIZONA'S OSHA PROGRAMS: Continuously work to improve the way the Arizona Division of Occupational Safety and Health (ADOSH) interacts with business. Support the adoption of updated rules of procedure for ADOSH proceedings to promote due process, Alternative Dispute Resolution (ADR) and the fair and economical adjudication of OSHA citations, including the adjudication of OSHA citations by the Office of Administrative Hearings. Strengthen the right of businesses to recover their attorney fees and costs when OSHA prosecutions lack substantial justification.

LONG-TERM GOALS

REFORM THE SUPPORTIVE CARE SYSTEM: Support reforms to the supportive care laws that limit abuse and provide for re-evaluation of the patient's condition and ongoing medical care in order to ensure that appropriate care is being provided to sustain the patient's recovery. Require a periodic review of supportive care cases.

SUPPORT EXTENSION OF MEDICAL NETWORKS: Extend the ability to create medical networks from self- insured employers to other businesses, insurance providers and political subdivisions in order to reduce costs and facilitate the coordination of patient care.

ALLOW FOR FULL AND FINAL SETTLEMENT OF CLAIMS: Enable interested parties to a claim to agree to a full and final settlement that cannot be reopened or rearranged at a later date.

LIMIT GOVERNMENT BUREAUCRACY AND REGULATION: Continue the ability of self-insured employers and insurance providers to negotiate directly with providers and oppose hospital fee schedules.



OPPOSE FURTHER EXPANSION OF PRESUMPTION OF COMPENSABILITY: Oppose efforts to circumvent the traditional workers' compensation claim process. Require that any future presumptions of compensability (or expansions of current presumptions) go through a scientifically-based sunrise process.

ALLOW VERIFICATION OF OUTSIDE INCOME: As a tool in preventing and identifying workers' compensation fraud, devise a system that enables insurance carriers and self-insured employers to verify if an injured worker is earning wages through other employment while collecting workers' compensation disability payments.

PROMOTE FREE MARKET DELIVERY OF INSURANCE PRODUCTS AND SERVICES:

Increase the flexibility of insurers to develop innovative products and practices and to distinguish them in the marketplace.

Ensure government programs do not compete with private sector insurance providers.

Oppose price controls, marketing and rating restrictions, cost-shifting, coverage requirements and benefit or coverage mandates on insurance policies.

Oppose legislation that limits underwriting criteria and the ability to allocate risk.

AMEND ARIZONA'S EMPLOYMENT PROTECTION ACT: Seek legislation that clarifies that, in whistle-blowing legal cases, an employer is defined as a business rather than supervisors, managers or other employees in their individual capacity.

MAINTAIN EMPLOYER PROTECTIONS AS A RESULT OF THE MEDICAL MARIJUANA ACT: Maintain protections for employers with drug testing policies so that they are protected from wrongful termination lawsuits by employees who are medical marijuana users.

REDUCE UNEMPLOYMENT INSURANCE FRAUD: Support measures to discourage fraud and abuse of the unemployment insurance system, including a review of the state's standards for making UI rewards. Continue to improve transparency and reporting so that the Arizona Department of Economic Security is better able to detect fraud.

REFORM TREBLE DAMAGE WAGE STATUTE: Place a reasonable cap on the amount of triple damages that can be awarded in a wage claim lawsuit in order to moderate some of the excessive claims, especially those related to extraordinary commissions, bonuses and severance pay.



ABOUT ASBA

The Arizona Small Business Association (ASBA) is a non-partisan, privately funded trade association representing 11,000+ small businesses that employ over half a million people. ASBA is a statewide organization representing member businesses throughout Arizona in all 15 counties and 30 legislative districts. Founded by small business owners and in continuous operation for 40 years, ASBA is the largest trade association in Arizona and the only statewide association dedicated solely to serving and supporting small businesses.

In addition to being a political organization, ASBA is a statewide buying group where members receive group discounts on essential products and services from paper clips to medical insurance. ASBA also offers programs to help its members promote themselves and take advantage of learning and networking opportunities. ASBA employs a talented staff of association management professionals in its Phoenix and Tucson offices, and is led by a board of directors of volunteer members.

ECONOMIC DEVELOPMENT

WORKING TO EXPAND ECONOMIC OPPORTUNITIES TO EXISTING ARIZONA SMALL BUSINESSES: ASBA is committed to supporting economic development by advancing legislation that will benefit, provide resources and create new opportunities for existing Arizona businesses and entrepreneurs. Such economic development policies include:

Increased access to capital for start-up and early-stage firms.

Strengthening Arizona's emerging workforce by supporting K-12, vocational programs such as CTE, and higher education to prepare competent and work-ready Arizonans for current and future Arizona jobs.

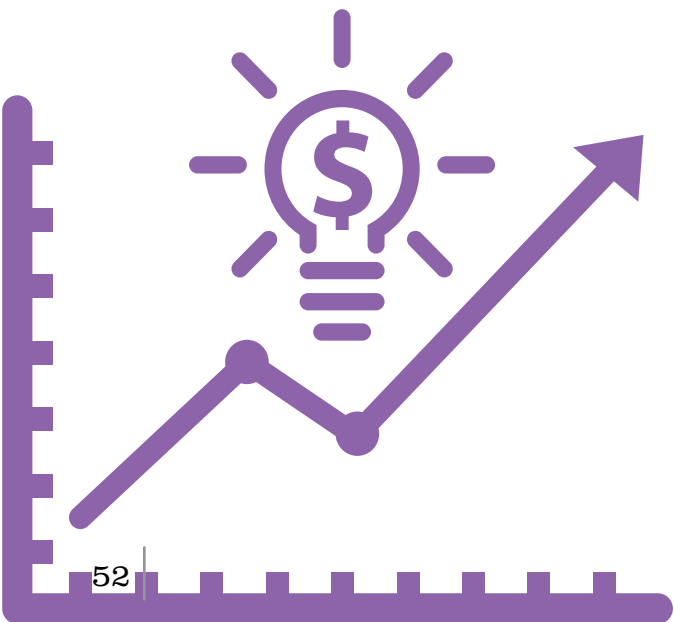
Enhancing Arizona's transportation and logistics corridors by improving the movement of commerce safely and more efficiently.



EDUCATION

EDUCATION IS THE CORNERSTONE TO ARIZONA'S GROWTH AND PROSPERITY. ASBA reaffirms that education and workforce development is the key to Arizona's continued economic growth and prosperity. Preparing students to meet the needs of tomorrow's Arizona jobs through a top notch K-12 system, vocational and specialized training is essential. Proper funding and committing long term to a consistent set of education standards that educators can prepare for will provide stability, and perpetual improvement opportunities to ensure the needs of students and employers are being met. ASBA also believes that increasing the performance of Arizona schools and teachers, through proper professional development and efficient administration is essential and to be expected. ASBA supports measures that:

- Include a market and achievement-based compensation structure to recruit and maintain qualified instructors and administrators.
- Support and fund career and technical education in high schools, specialized training programs and higher education institutions that are developing a work-ready talent pool aligned with the needs of Arizona employers.
- Support and expand educational choice through things such as charter schools, online learning, home schooling and career and technical education programs.



TAXATION

COMPLYING WITH ARIZONA'S TAX CODE SHOULD NOT BE A BURDEN ON BUSINESSES. Understanding and complying with Arizona's tax code should not create an undue burden on local businesses. Yet, tax reform continues to be one of the top policy priorities of Arizona's small business community. ASBA supports tax policies and efforts by state government that reduce the cost of doing business in Arizona by simplifying our state's tax code. Furthermore, ASBA will not pursue tax cuts or economic incentives for Arizona businesses in 2015 but will oppose any attempts to repeal legislation that will increase taxes on business. ASBA will advocate for legislation and efforts that:

- Support the continuation of the tax reforms designed to make Arizona more competitive.
- Support the implementation of a single point of administration where Arizona businesses can file all Transaction Privilege (Sales) Tax returns, and make payments.
- Encourage that the Arizona Department of Revenue (ADOR) updates its software so that all income tax returns can be filed electronically.
- Minimize discrepancies between Arizona's income tax code, and the U.S. income tax code.
- Reduce the complexity and administration of complying with Arizona's tax code.
- Oppose any measures that would impose taxation on services.

REGULATION

CUTTING RED TAPE WILL LEAD TO MORE RIBBON CUTTINGS. Nothing stifles investment, innovation and job creation more than an outdated and unbalanced regulatory system. Excess regulation not only increases the cost of doing business, it decreases the confidence that businesses require to take the necessary risks to develop economically. ASBA supports efforts by state government and legislation that will modernize Arizona's regulatory system and increase transparency. ASBA strongly believes that increasing business confidence through regulatory reform can be achieved by:

- Maintaining the temporary moratorium on all new agency rules not required by federal law.
- Opposing legislation that increases liability of employers beyond that required by federal law.
- Opposing arbitrary wage and hour mandates, and other forms of state and federal encroachment into free enterprise.

HEALTHCARE

HELPING ARIZONA BUSINESSES COMPLY WITH THE ACA AND HAVE ACCESS TO SUPERIOR HEALTHCARE PLANS. Arizona small businesses continue to find themselves uncertain, and concerned with complying and understanding the Affordable Care Act (ACA). Problems with the rollout of healthcare.gov, healthcare plans being canceled by insurance companies, and the increasing divisiveness by the two major political parties on the issue continues to erode people's confidence in the ACA and our healthcare system. ASBA recognizes that this is a federal issue. However, ASBA will look to the Arizona Legislature to ensure that Arizona small businesses:

- Have access to a variety of healthcare choices.
- Are not burdened with additional administrative expenses necessary to comply with the Affordable Care Act.
- Obtain access to the best and most affordable healthcare plans available in Arizona.
- Obtain access to an efficient and reliable online portal to shop the healthcare marketplace.
- Obtain access to ancillary products such as dental, life and long term care insurance available through the same online portal.



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This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





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