

UNITING BUSINESS | ADVANCING ARIZONA



2017 | BUSINESS AGENDA

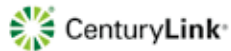


# CORPORATE MEMBERS

## CHAMPION LEVEL



## Trustee Level



## Chairman Level

Arizona Indian Gaming Association | Bank of America Merrill Lynch | Blue Cross Blue Shield of Arizona | Celgene Corporation | CopperPoint Insurance Company | Intel Corporation | Services Group of America | Southwest Gas Corporation | Tenet Healthcare | The Boeing Company | U.S. Chamber of Commerce Institute for Legal Reform | American Airlines | Wells Fargo Bank

## Officer Level

Alliance Bank of Arizona | Amagine Communications | Anheuser - Busch | Arizona Cardinals | Arizona Commerce Authority | Dignity Health | Freeport-McMoRan | Grand Canyon University | Hensley Beverage Company | Maricopa Integrated Health System | Mayo Clinic | MomDoc | Phoenix Children's Hospital | Raytheon Company | Swift Transportation Corporation | UnitedHealthcare of Arizona

## Board Level

12 News | A T & T | AAA Arizona | AARP | Airbnb | Amazon.com Fulfillment Services | Arizona Alliance of Health Plans | Arizona Association of REALTORS | Arizona Charter Schools Association | Arizona Hospital & Healthcare Association | Arizona Lodging & Tourism Association | Arizona Multihousing Association | Arizona Rock Products Association | Arizona State University Office of Public Affairs | Aspect | Associated Gen. Contractors, Arizona Chapter | Cancer Treatment Centers of America | CCA | Centene Corporation | Cigna Healthcare of Arizona | Coca-Cola North America Group | Comerica Bank | DMB Associates, Inc. | El Dorado Holdings | Enterprise Holdings | Ernst & Young LLP | Express Scripts | Farmers Insurance | Fennemore Craig | Google, Inc. | Hobart Hallaway and Quayle Ventures | Honeywell | IBM Corporation | iHeartMedia | Isaacson & Walsh, P.C. | Jennings, Strouss & Salmon, PLC | Johnson & Johnson | K12 Inc. | Karsten Manufacturing Corp. | Keating Companies | Laird Management | Legacy Traditional Schools | Lewis Roca Rothgerber LLP | Liberty Property Trust | Maricopa Community Colleges District | McCarthy Building Companies, Inc. | Midwestern University | National Association of Industrial and Office Properties | National Bank of Arizona | Nationwide | NEWAY Capital | Newmark Grubb Knight Frank | PetSmart Inc. | Pfizer Inc. | Phoenix Suns | Polsinelli | Prudential Financial, Inc. | RED Development, LLC | Redflex Traffic Systems | Rimrock Partners | Resolution Copper Company | Rosemont Copper | Safelite Group, Inc. | Sarvas, Coleman, Edgell, & Tobin, P.C. | Sempra U.S. Gas & Power | Sonora Quest Laboratories | Southwest Airlines Company | Stand for Children - Arizona | State Farm Insurance | Steptoe & Johnson LLP | Tucson Electric Power Company & UniSource Energy Services | Tucson Medical Center | UBER Phoenix | Union Pacific Railroad | Universal Technical Institute, Inc. | UPS | USAA | Veridus | Wal-Mart Stores, Inc. | Waste Management | Western Refining | Willetta Partners | Young's Market Company of Arizona, LLC | Zenefits



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# LETTER FROM CHAMBER LEADERSHIP



**GLENN HAMER**

President and CEO

A handwritten signature in black ink, appearing to read "Glenn Hamer".



**DENNIS DAHLEN**

Chairman of the Board

A handwritten signature in black ink, appearing to read "Dennis Dahlen".



**SUSAN ANABLE**

Chairwoman of Public Affairs

A handwritten signature in black ink, appearing to read "Susan Anable".



**DAWN GROVE**

Chairwoman of the Arizona  
Manufacturers Council

A handwritten signature in black ink, appearing to read "Dawn Grove".



We are proud to present the 2017 edition of the Arizona Chamber of Commerce and Industry Business Agenda. Our policy committees have worked diligently to craft their contributions to this document, which serves as our advocacy roadmap for the year.

Our agenda is an ambitious one. Whether in Phoenix at the state Capitol or in Washington, D.C. in the halls of Congress, we'll be on offense working hard to grow Arizona's economy.

At a federal level, we are better positioned than we have been in years to achieve substantive policy victories on behalf of Arizona's job creators.

Federal regulatory reform is at the top of the agenda. It's time for Washington's constant overreach to stop. Thankfully, big changes are ahead.

On the tax front, the U.S. has the highest corporate tax rate in the world. We'll lead Arizona employers' calls for a tax reform package to reach the president's desk that contains a substantial corporate tax rate reduction and that reforms the personal income tax, which is especially important for our small businesses that file as individual taxpayers, all of which will make investment in the U.S. much more attractive than it is today.

A health care overhaul looms as well. We'll work towards a health care system that promotes choice and flexibility, while ensuring our state's unique needs are reflected in any reforms enacted at a federal level.

This is not to say there will not be challenges. We will need to be vigilant to ensure that Arizona and the rest of the country remains a leader in global commerce by preserving our existing trade agreements and pursuing new ones. And as we have always done on immigration, the Chamber will work with a broad coalition of business community partners to reach consensus and advance commonsense reforms.

At the state Capitol, we'll pursue an aggressive agenda focused on education, water, initiative reform, and tort reform.

On education, our Arizona Chamber Foundation and the Tucson Hispanic Chamber's education project, A for Arizona, will advance reforms that ensure that our top-performing schools have the

ability to expand and replicate. Too many of Arizona's kids are stuck on waiting lists as families attempt to get them into better schools. We can also shape funding not only to reward achievement, but also to recognize the work of those schools that are making significant academic gains with low-income student populations. And we must also ensure that parents have access to reliable information that tells them how our schools are performing. While some are suggesting a go-slow approach on school accountability, the Chamber will advocate for a school grading system that parents can trust—and trust soon.

On water, no issue is more central to the state's ability to thrive in the decades to come. Without water supply certainty, Arizona is at risk of a weakening economic development picture and a deepening federal involvement in its water management affairs. The Chamber in 2017 will advocate for policies designed to stave off a declaration of Colorado River shortage, protect water elevations in Lake Mead, and seek federal development and state approval of the Lower Colorado River Basin Drought Contingency Plan.

The Chamber each year for the last several years has advanced pro-business civil justice reform, affecting issues ranging from class action lawsuits to punitive damages to appeal bonds. This year the dramatic rise in frivolous litigation related to access for the disabled deserves our attention. We can pass commonsense reforms that protect business owners and the disabled alike.

There's always more. Modernizing our transportation and infrastructure, protecting Arizona's position as a defense and aerospace leader, and ensuring our state remains welcoming to cutting-edge businesses, will continue to be central to our agenda.

Finally, no matter the progress we make on these big issues, all of our good work can be undone at the ballot box, which is why initiative reform is so important. In 2017 we will seek to advance reforms via the legislative process that will ensure that out-of-state interests cannot so easily place their bad ideas on Arizona ballots.

We look forward to working with Gov. Doug Ducey, our congressional delegation and the state Legislature to advance smart public policy that positions Arizona to win in 2017.

## STATE ISSUES

### A WORLD-CLASS EDUCATION SYSTEM

Improve Arizona's K-12 finance formula to promote the expansion and replication of high-quality schools, while recognizing the work of those schools that are making significant academic gains with low-income student populations.

Promote school accountability by ensuring that parents have access to reliable information about how our schools are performing.

### WATER SECURITY FOR ARIZONA'S FUTURE

Advocate for policies designed to stave off a declaration of Colorado River shortage, protect water elevations in Lake Mead, and seek federal development and state approval of the Lower Colorado River Basin Drought Contingency Plan.

### A PRO-BUSINESS LEGAL ENVIRONMENT

Reduce rise in frivolous litigation related to access for the disabled. We can pass commonsense reforms that protect business owners and the disabled alike.

### PROTECTING ARIZONA'S ECONOMIC COMPETITIVENESS

Advance ballot initiative reforms that ensure that out-of-state interests cannot undercut Arizona's economic competitiveness.

## FEDERAL ISSUES

### ROLLING BACK REGULATORY OVERREACH

Pursue federal regulatory reform that reasserts Arizona's role in its land and wildlife management, environmental policy, and workplace policy.

### TAX REFORM THAT PROMOTES ECONOMIC GROWTH

Lead Arizona employers' push for a tax reform package that contains a substantial corporate tax rate reduction and individual income tax reforms that will make investment in the U.S. much more attractive than it is today.

### HEALTH CARE THAT PROMOTES CHOICE AND FLEXIBILITY, RECOGNIZES ARIZONA'S UNIQUE NEEDS

Work towards health care system reforms that promote choice and flexibility, while ensuring our state's unique needs are reflected in any reforms enacted at a federal level.

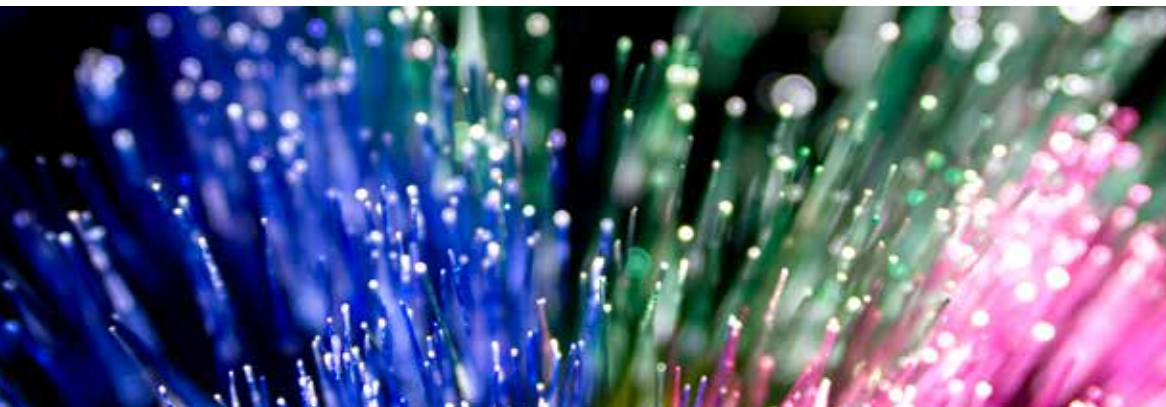
### GROWING GLOBAL COMMERCE

Ensure that Arizona and the rest of the country remain a leader in global commerce by preserving our existing trade agreements and pursuing new ones

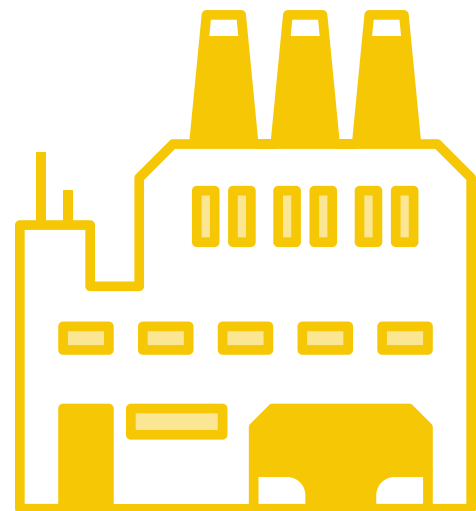
### A COMMONSENSE IMMIGRATION SYSTEM

Lead a broad coalition of business community partners to reach consensus and advance commonsense reforms on immigration.





Dawn Grove, Chairwoman (Karsten Manufacturing Corporation)



## PRINCIPLES

- ▶ Ensure that Arizona provides a globally competitive environment for the manufacturing sector that invites capital, 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 and support continued state investment in career and technical education.
- ▶ 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 efficient use of employer dollars.
- ▶ Support the development of a multi-modal transportation system and increased 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.
- ▶ Remove barriers to public infrastructure investment to retain and attract manufacturing.
- ▶ Oppose regulatory overreach by the National Labor Relations Board and other federal agencies.
- ▶ Ensure state primacy whenever possible, including in environmental regulatory matters and ADOSH/OSHA safety programs.

## STATE ISSUES

**SUPPORT RETENTION AND GROWTH IN THE MANUFACTURING INDUSTRY IN ARIZONA:** Enhance job creation programs to allow increased flexibility in reducing tax liabilities associated with job creation.

**ASSIST MANUFACTURERS WITH INFRASTRUCTURE NEEDS:** Explore and advocate for additional public and private investment options or tools that allow local governments

to help address infrastructure needs to enable high-tech manufacturing investments and growth.

**INCREASE THE OUTPUT OF STUDENTS WHO ARE PREPARED FOR THE MODERN MANUFACTURING WORKPLACE:** Protect against cuts to the career and technical education (CTE) programs and encourage strategic investment of resources toward pathways with proven records of success. Promote



the world-class image of manufacturing to schools, teachers, parents and elected officials. Encourage and support curriculum content and an education delivery system that leads to nationally recognized, industry validated credentials whenever possible. Serve as liaison between manufacturing workforce needs and education articulation.

**ADVOCATE FOR A ROBUST EMISSIONS BANKING SYSTEM:** Encourage and participate in the development of a progressive, meaningful and useable air emissions banking system that 1) incentivizes companies that no longer need certain emissions credits, both convention and unconventional, to bank them for use by other companies, and 2) enables other unrelated companies that require credits for offsets to secure them. In light of the significant economic development barrier the lack of a robust emissions banking system creates for the state, organize a task force that will work with Maricopa County and the state of Arizona to propel task force efforts.

**SUPPORT WORKFORCE DEVELOPMENT PROGRAMS THAT PREPARE WORKERS FOR MANUFACTURING CAREERS:** Reinvigorate the job training program to help manufacturers attract and retain a competitive workforce.

**EMBRACE NEW TECHNOLOGY:** Support Arizona's efforts to establish a leadership position that encourages adoption and growth of new, disruptive technologies.

**ENSURE THAT THE WORKERS' COMPENSATION SYSTEM CONTINUES TO FURTHER A POSITIVE ECONOMIC CLIMATE IN ARIZONA:** Work to advance reforms that establish a competitive workers' compensation system and collaborate with the ICA to ensure responsiveness to the concerns of the business community.

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

**MAINTAIN A COMPETITIVE RESEARCH AND DEVELOPMENT TAX CREDIT:** Examine 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. Support policies that create value for idle R&D tax credits earned by companies investing in Arizona.

**SUPPORT SALES AND USE TAX UNIFORMITY AND SIMPLIFICATION:** Support the continued 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 AND LEVERAGE THE WORK OF THE ARIZONA COMMERCE AUTHORITY AND THE OFFICE OF ECONOMIC OPPORTUNITY:** 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 are needed 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.

**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. Work to ensure that paycheck protection legislation is not overturned through litigation. Support revisions to Arizona's paycheck protection legislation to ensure it is constitutional and easy for employers to administer.

**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, and advocate for the adoption of the PM-10 maintenance; develop the State Implementation Plan for the Pinal County PM-10 nonattainment area; and encourage 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 maintain the current attainment status of the PM 2.5 NAAQS.

**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.

**SUPPORT FURTHER TORT REFORM:** Continue to improve Arizona's tort and legal system so it is viewed favorably in the marketplace. Support legislation to transition Arizona to a modified comparative fault state. In addition, preserve the work that has been done to improve our civil justice 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 and the lengthy jury trial fund.

The cap on post-judgment interest rates.

Transparency in asbestos claims.

**SUPPORT DEVELOPMENT OF TRADE-FACILITATING INFRASTRUCTURE:** Support the development of infrastructure that will increase Arizona's competitive standing as a logistics hub and allow the state to position itself as a leader in cross-border and global trade.

**SUSTAIN UNEMPLOYMENT INSURANCE:** Support policies that continue 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.

**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. Oppose efforts to close airspace for unmanned aerial vehicles, which would restrict new and emerging technologies.

**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.

**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 substantial economic impact.

**SUPPORT EFFORTS TO EXPAND TRADE AND GLOBAL COMMERCE:** Advocate for federal actions, including securing a quorum of directors for 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 and increase U.S. consumer choice. Preserve the best provisions in current free trade agreements such as NAFTA.

**SUPPORT EFFORTS TO RECOVER U.S. OVERSIGHT OF INTERNET GOVERNANCE:** Support efforts to recover U.S. supervisory authority over the Internet Corporation for Assigned Names & Numbers ("ICANN"), improve ICANN's structure to increase transparency and accountability, keep ICANN headquartered in the U.S. and subject to U.S. courts'

jurisdiction, and prohibit ICANN from seeking or acting on "international organization" or any other status which could serve to limit U.S. courts' ability to hold ICANN accountable for its actions.

**SEEK WITHDRAWAL OF TREASURY DEPARTMENT REGULATIONS NEGATIVELY IMPACTING FAMILY-OWNED BUSINESSES:** Advocate for withdrawal of regulations that would unnecessarily increase estate and gift taxes on family-owned manufacturing companies by an estimated 30 percent or more and that would severely restrict the availability of well-established minority valuation discounts in intra-family transfers of family-owned enterprises. Advocate for reduction or repeal of estate taxes impacting family owned manufacturing businesses.

**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 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.

**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.

**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.





Jeff Lindsey, Chairman (CenturyLink, 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.
- ▶ Discourage government from performing functions that directly compete with, or are already performed adequately by the private sector.

## SHORT-TERM GOALS

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

**CLARIFY THE PROPER JURISDICTION OF CITIZEN CLEAN ELECTIONS COMMISSION:** Limit the investigative authority of the Commission to participating candidates only, and ensure that the Secretary of State remains the proper jurisdiction for campaign finance complaints made against traditionally funded candidates, and independent expenditure campaigns. Encourage CCEC rule changes to adhere to Administrative Procedures Act. Ensure enforcement of campaign finance law rests with Attorney General. 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.

**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 PROCESS:** Increase transparency and enforcement within Arizona's initiative process, including requiring pre-circulation review of language, content, and constitutionality of initiatives. Strengthen regulations on out-of-state paid signature gatherers. Institute a ballot title and summary review board. Assess opportunities for voter review of the Voter Protection Act.

**MODERNIZE STATE GOVERNMENT:** Support efforts to modernize and state government and make it more fiscally responsible, including privatization of certain government services; the elimination of employer withdrawal liability charges for state entities that are privatized by action of the state; and using the expedited rulemaking authority.

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

**REDUCE REGULATORY BURDENS:** Support efforts to simplify the process to identify and eliminate outdated or unnecessary rules and regulations. Ensure occupational licenses do not create undue barriers to entry while maintaining regulatory certainty for incumbent licensees and businesses.

## LONG-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.

**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 THE USE OF GOVERNMENT 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 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.

#### CONTINUE TO 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.

#### 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 downturns. 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 and their staffs.

#### CONTINUE TO 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 magnified by 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.
- ▶ 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.
- ▶ Enhances awareness of the defense and aerospace industry within the public and news media, especially the programs within the industry that are making the world safer, such as the A-10, AH-64E Apache, and David's Sling.

## 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, FAA, and the Department of Homeland Security. Support appropriations that provide for our country's current national security needs while preparing

for potential future threats. Support a more predictable order for defense appropriations and authorization. Encourage efficiencies and program streamlining where appropriate, while recognizing that national security is one of the federal government's core responsibilities.

**MAINTAIN ARIZONA'S POSITION AS A PREMIER HOST FOR MILITARY INSTALLATIONS AND NATIONAL DEFENSE OPERATIONS:** 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, AEROSPACE AND AVIATION 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 and its workforce pipeline 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 for national defense and commercial applications. 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 that open new markets and create new jobs for U.S. businesses. These include support for free trade agreements such as the Trans-Pacific Partnership and the appointment of new directors to the board of the Export-Import Bank. 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.



# ECONOMIC DEVELOPMENT



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.

**POSITION ARIZONA IN THE MOST POSITIVE LIGHT POSSIBLE:** Support efforts by Gov. Doug Ducey and the Arizona Commerce Authority to develop a branding identity for Arizona that stresses Arizona's positive attributes and positions the state as an attractive place to grow a business. Work with partners in the business community to resist policies that could create a negative perception of Arizona nationally and globally, while working to correct misinformation about the state.

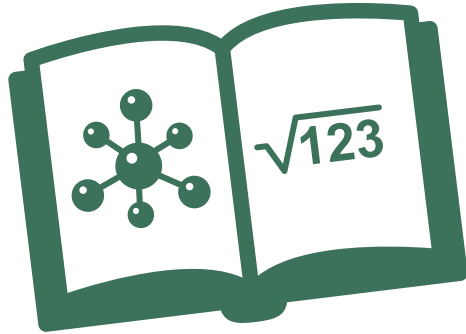
**PROMOTE CAPITAL FORMATION:** Encourage innovative solutions that increase access to private capital and resources from in state and out of state for start-up and early-stage businesses across

the state in order to support the development of new businesses, retention and expansion of existing businesses, and increase economic diversification. Support the Arizona Finance Authority and the Office of Economic Opportunity. Encourage OEO to collect and measure data that are relevant to Arizona's national competitiveness rankings and that accurately portray the state's competitive standing. Continue to support resources for programs that have a record of success and a proven return on investment, especially for rural and small business, and including the Angel Investment tax credit program.

**ENCOURAGE THE FURTHER DEVELOPMENT OF PUBLIC-PRIVATE PARTNERSHIPS:** Look for opportunities to encourage public-private partnerships that can leverage public resources to spur private investment.

**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.





# EDUCATION AND WORKFORCE DEVELOPMENT



Dave Howell, Chairman (Wells Fargo Bank)   Chad Heinrich, Vice Chairman (Apollo Education Group)

## PRINCIPLES

- ▶ Arizona must have an education and workforce development environment that produces a competitive workforce and serves as both an engine and a magnet for further economic growth.
- ▶ Arizona's workforce development programs and job training programs should be responsive to employer needs, and help companies attract and retain a competitive workforce.
- ▶ Arizona's system of financing public education should be equitable, dependable, flexible and robust to prepare students for jobs and education after high school.
- ▶ All Arizona children deserve easy access to an "A" quality school.
- ▶ Arizona's students need ready teachers whose training prepares them for today's classrooms, who are offered the support they need to be successful meeting individual student needs.
- ▶ Arizona should encourage innovation in our classrooms, reward success, hold all stakeholders accountable for their performance, and quickly identify, address and correct failure.
- ▶ Arizona's K-12 system should encourage the expansion and replication of high-quality neighborhood public schools – both district and charter.
- ▶ Arizona's education system should sufficiently connect community colleges, career and technical education programs, including joint technical education districts, with public and private universities in Arizona for the purpose of allowing a seamless transition for students.
- ▶ Arizona's education policy decisions should be based on what is working in classrooms, strategic goals and what is best for students.

## SHORT-TERM GOALS

**REDESIGN THE SCHOOL FINANCE SYSTEM:** Support a performance funding model at the school level that supports excellence and equitable access to high-quality classrooms. Support strategic investments to expand Arizona's highest performing schools. This can be achieved by using available resources to reward schools that are consistently graduating students ready for college and the

job market. The most pressing school finance issue facing our system is re-aligning revenues toward excellence. This item is particularly urgent, as recent finance reforms were not paired with robust performance-based funding to ensure formula changes do not jeopardize the sustainability and growth of our highest performing schools. Future education appropriations must balance sound budgeting practices with

performance rewards incentives. Reforms must recognize performance to protect our best schools and accelerate excellence, with a special focus on schools closing the achievement gap. An important first step is to immediately fill the hole left by the small school weight phase-out and ensure that all excellent district and charter schools, with an emphasis on those with wait lists and those closing the achievement gap, receive the resources they need to increase their positive impact on kids.

Additional reforms for Arizona's outdated public school financing system should also:

- Equitably allocate resources;
- reduce unnecessary reporting, especially for highly performing schools;
- reduce differences in district and charter funding models;
- reduce inequities created by local property taxing options;
- improve budget transparency at the local level; and
- base funding on real-time student enrollment.

Finally, as part of the discussions on Proposition 301 reauthorization, modifications and negotiations should be considered as it relates to long-term funding sustainability.

**INSIST UPON AND EXPAND QUALITY AND EDUCATIONAL CHOICE:** Support policies and funding that would encourage replication and expansion of high quality charter and district schools in a fiscally responsible way. Support measures to ensure a robust, high quality choice environment that spurs a variety of school models for students and neighborhoods across Arizona.

**SUPPORT A RIGOROUS ACCOUNTABILITY SYSTEM:** Support a revised A-F school grading system that measures effectiveness against a rigorous set of standards through a variety of measures, such as keeping students on track with the necessary skills to be successful after high school, providing opportunities for industry certifications, and helping students who are behind to catch up. Promote policies that allow for the rapid closure or replacement of consistently "D" and "F" rated schools.

**SUPPORT THE RESPONSIBLE COLLECTION AND USAGE OF EDUCATION DATA:** Improve transparency, accountability, efficiency, and effectiveness of education by collecting and utilizing data more efficiently, while ensuring individual student data is kept private. Modernize budget and financial reporting systems to reduce unnecessary costs. Reduce redundant regulatory and compliance cost by lessening administrative overhead associated with data collection. Ensure statewide, aggregate data is available to policymakers, educators, and research stakeholders.

**SUPPORT A WORKFORCE SYSTEM THAT IS RESPONSIVE TO EMPLOYER NEEDS:** Revamp the state's workforce development expenditures, incentives, and governance to reward results from providers, and to align with the needs of employers. Support the statewide attainment goal that addresses the state's workforce shortages.

**SUPPORT ARIZONA'S PRIVATE HIGHER EDUCATION INSTITUTIONS AND THEIR ROLE IN FILLING HIGH DEMAND PROFESSIONS AND PROVIDING MEANINGFUL SCHOOL CHOICES FOR STUDENTS:** Arizona is home to many private high-quality higher education institutions providing workforce training and credentialing as well as baccalaureate and graduate level programs. Those schools that partner with industry and demonstrate superior educational and employment outcomes are critical to filling high-demand professions requiring cutting-edge skills training and are an important option for many individuals seeking fulfilling careers.

**SUPPORT CAREER AND TECHNICAL EDUCATION:** 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 CTE, including for 9th grade students. 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. Explore options for more career awareness opportunities in middle school.

**SUPPORT ARIZONA'S COMMUNITY COLLEGES AND THEIR ROLE IN WORKFORCE TRAINING WITH STABLE FUNDING AND ENHANCED FLEXIBILITY:** Arizona has a vibrant, well-regarded community college system that provides critical



# EDUCATION AND WORKFORCE DEVELOPMENT

## LONG-TERM GOALS

**SUPPORT REGULAR REVIEW OF ARIZONA'S RIGOROUS STANDARDS:** Recognize that a rigorous set of standards will better prepare students for work and postsecondary education. Support efforts to regularly review these standards to ensure their continued relevance and rigor.

**PROMOTE THE USE OF TECHNOLOGY FOR TEACHING, LEARNING AND ADMINISTRATION:** Support the utilization of technology to improve classroom instruction, accountability, and productivity. Ensure all students have the digital literacy skills needed to succeed in today's workplace. Advocate for necessary technology and sufficient funding. Support public-private partnerships to ensure that advances of technology in education do not create further disparities for students in low-income households.

**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. Reduce barriers to recruiting STEM educators.

**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.







Richard Bark, Chairman (Freeport-McMoRan Inc.)

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 that 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 and process improvements, 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 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 lawful deference to Arizona's reasoned policy and technical determinations.

**LIMIT THE EPA'S JURISDICTION UNDER THE CLEAN WATER ACT:** Oppose efforts by the EPA to expand the definition of "Waters of the U.S.," which would bring vast new areas of Arizona land under the jurisdiction of the federal government. Support the state of Arizona in its legal challenge to the rule.

**PERMIT APPEAL REFORM:** Support reforms to the permit appeal process for environmental permits that will prevent abuse of process, ensure fairness, reduce time frames wherever practical,



and allow Arizona to remain economically competitive for new capital investment and job growth opportunities.

**ENSURE FAIRNESS AND ACCOUNTABILITY FOR ENVIRONMENTAL FEES:** Make certain that any fees put in place by government agencies are 1) subject to strict accountability measures by requiring the agency to include detailed invoices; 2) are periodically reviewed; and 3) 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. Fees collected to fund state government operations should be used exclusively to provide the specific services as provided in statute, especially those fees collected to support the processing of permit applications required by law to do business.

**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 government agencies and private entities implementing the measures within the 5% State Implementation Plan for the Maricopa County PM-10 nonattainment area, and advocate for the adoption of the PM-10 maintenance plan; develop the State Implementation Plan for the Pinal County PM-10 nonattainment area; and encourage 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 maintain the current attainment status of the PM 2.5 NAAQS.

**OPPOSE NEW EPA OZONE STANDARD:** Oppose the EPA's rule revising to 70 parts per billion (ppb) the National Ambient Air Quality Standard for ozone and support the State's lawsuit against the new standard. While maintaining our objections to the 70 ppb standard, support ADEQ establishing non-attainment boundaries that are established reasonably and as compactly as possible to achieve the regulatory requirements, as supported by available data.

**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.

**SUPPORT THE "MyDEQ" ON-LINE PORTAL:** Continue to support the efforts of the Arizona Department of Environmental Quality and the Arizona Department of Administration to establish the "MyDEQ" 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, local, and county agencies to identify rules and permitting processes that can be streamlined through administrative action or rule revision. Support any necessary statutory changes to implement the Governor's streamlining recommendations.

**MONITOR STATE AND FEDERAL ENVIRONMENTAL FINANCIAL ASSURANCE REQUIREMENTS:** Oppose any new EPA financial assurance requirements under CERCLA Section 108(b). Support state programs that provide for reasonable financial assurance requirements.

**SUPPORT STATE PRIMACY OF FEDERAL INJECTION CONTROL PROGRAM:** Support ADEQ rulemaking to obtain state primacy to administer the federal underground injection control program in lieu of EPA as required by ARS § 49-203.A.5.

**ADVOCATE FOR PUBLIC COMMENT PERIOD ON PROPOSED TECHNICAL REGULATORY CHANGES THAT IMPACT SOURCE EMISSIONS:** Promote the ability of regulatory agencies to convene a public comment period on proposed technical changes that significantly impact source emissions that are not codified in regulations or specifically called out in





Karrin Taylor, Chairwoman (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 and that is weighted to take into consideration unique state characteristics.
- ▶ Where appropriate, retain state or local control over programs in Arizona that would otherwise be administered by the federal government.
- ▶ Oppose regulatory overreach and support legislation that will promote regulatory streamlining and improve agency accountability.
- ▶ Develop strong relationships with congressional leadership, staff, and members of the Arizona delegation and federal agencies to ensure that Arizona business interests are well represented in Washington, D.C.

## SHORT-TERM GOALS

### Legal, Regulatory & Financial Services

**OPPOSE U.S. DEPARTMENT OF LABOR'S CONFLICT OF INTEREST RULE:** Oppose Department of Labor's proposed rulemaking to expand what is considered fiduciary investment advice under the Employee Retirement Income Security Act ("ERISA"), and its potential negative impact on small business retirement plans.

**ADVOCATE FOR A REVERSAL OF REGULATIONS THAT HAVE HARMED ARIZONA AND THE COUNTRY, SUPPORT REGULATORY MORATORIUM:** Advocate for reversal of federal regulations that have harmed economic growth in the state and country. Oppose regulatory overreach by agencies acting

outside or beyond their originating act. Ensure that regulations are adopted in an open, transparent manner that allows opportunity for input from stakeholders.

**SUPPORT STATUTORY IMPROVEMENTS TO DETER SYSTEMIC ABUSE OF THE JUDICIAL SYSTEM:** Work to improve laws that provide important protections to vulnerable populations by ensuring these laws achieve their intended impact of compliance and do not allow for serial, unnecessary, and costly litigation to be brought against Arizona businesses.

**SUPPORT EFFORTS TO RECOVER U.S. OVERSIGHT OF INTERNET GOVERNANCE:** Support efforts to recover U.S. supervisory authority over the Internet Corporation for

Assigned Names & Numbers (“ICANN”), improve ICANN’s structure to increase transparency and accountability, keep ICANN headquartered in the U.S. and subject to U.S. courts’ jurisdiction, and prohibit ICANN from seeking or acting on “international organization” or any other status which could serve to limit U.S. courts’ ability to hold ICANN accountable for its actions.

## Natural Resources

**LEAD EFFORTS TO REINTRODUCE MULTIPLE-USE MANDATE ON ARIZONA’S LANDS:** Advocate for the reintroduction of the multiple-use mandate on Arizona’s federal lands, and oppose attempts to further limit multiple-use land management by designating national monuments that would impede efficient land, resource, and wildlife management and represent unwarranted and unwanted federal overreach. Oppose any attempt to manage land in Arizona as a wilderness area without the required congressional authorization. Oppose executive actions that would unilaterally designate Arizona lands as wilderness areas.

**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 SOUTHEAST ARIZONA LAND EXCHANGE AND CONSERVATION ACT:** Support permitting, regulatory efforts, and additional legislation, if necessary, to allow the Resolution Copper Mining project in Superior to move forward.

**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.

## Defense

**LEAD EFFORTS TO PROTECT AND EXPAND 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, including securing Arizona’s position as a leading location for research and development, pilot training, manufacturing and testing of unmanned aircraft systems, and supporting Arizona’s aerospace, defense, and aviation industry. Work to ensure that Arizona’s military assets are well-positioned for future BRAC (Base Realignment and Closure Commission) recommendations.

## Health Care

**LEAD 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.

**LEAD EFFORTS TO PROTECT ARIZONA’S HEALTHCARE INDUSTRY:** Should Congress and the President repeal the Affordable Care Act, support replacement policies that maintain the innovation and flexibility established in Arizona’s Medicaid program; that do not increase the hidden healthcare tax on business; that do not create an adverse fiscal impact on state government; and that do not increase the rate of uncompensated care on the healthcare industry.

**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 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.

## Immigration and Trade

### SUPPORT COMPREHENSIVE FEDERAL IMMIGRATION REFORM THAT INCLUDES A MARKET-DRIVEN FEDERAL FOREIGN WORKER SYSTEM:

Restructure the federal visa program to better respond to labor market demands 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 EFFORTS TO EXPAND TRADE AND GLOBAL

COMMERCE: Advocate for federal actions that open new markets and create new jobs for U.S. businesses, including securing a quorum of the Export-Import Bank; Trade Promotion Authority for the Executive; and free trade agreements 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.

### 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 non-domestically produced components (which are not available in the U.S.) used in the assembly of products in the U.S.



## **Taxation**

**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.

**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.

## **Workplace, Workers' Compensation and Insurance**

**OPPOSE FEDERAL REGULATIONS THAT WOULD EXPAND OVERTIME PAY ELIGIBILITY:** Oppose rule proposed by Department of Labor that would dramatically raise the salary threshold for overtime pay eligibility.

## **Education**

**SUPPORT REFORMS TO THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT:** In coordination with the U.S. Chamber, support reforms within the Higher Education Act reauthorization that empower a market-based framework to build on and improve postsecondary education by 1) providing varied and better options for students; 2) reducing federal overreach and burden; 3) driving down costs of delivery, not just the sticker price for students; 4) improving the quality of education; and 5) encouraging innovation, including new models of content delivery that tap into the growing entrepreneurial presence in postsecondary education.

**SUPPORT SIMPLIFIED, RESPONSIBLE BORROWING:** Federally subsidized and unsubsidized loans must continue to be available to students who need them. However, the current patchwork of student loan programs must be simplified to improve access to loans and reduce the complexity regarding options to pay back the loans. To assist students in making appropriate borrowing decisions, institutions must also be allowed to work more closely with students to determine proper borrowing levels as a way to reduce the extent of over borrowing.

**SUPPORT EARLY CHILDHOOD GRANT PROGRAMS:** Support continued availability of Preschool Development Grants as part of the federal budget, which are key components to promoting school readiness and provide one of the highest returns on investment.

**SUPPORT REGULATORY REFORM:** Regulatory burdens placed upon institutions of higher education have grown tremendously over the past decade. A full review of federal regulations in higher education should be undertaken in an effort to reduce unnecessary and often outdated requirements and mandates placed upon institutions of higher education.

## **LONG-TERM GOALS**

### **Transportation**

**CONTINUE SUPPORT FOR LONG-TERM TRANSPORTATION FUNDING:**

Work with Arizona's congressional delegation, the Arizona Department of Transportation, and the Governor's Office to advocate for transportation funding 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 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 and the Sonoran Corridor and for tier 2 projects like the I-10 widening and I-15 bridge.

### **Legal, Regulatory & Financial Services**

**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 healthcare.
- ▶ 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.
- ▶ Oppose efforts that would interfere with the healthcare industry's ability to attract and retain talent.
- ▶ 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.

ENSURE CONTINUED EMPLOYER PROTECTIONS FROM CAUSES OF ACTION ARISING FROM EMPLOYEES' DRUG AND ALCOHOL ABUSE.

**SUPPORT INNOVATIVE METHODS FOR PROVIDING HEALTHCARE 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 of 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

**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. Support the proposals for civil justice reform recommended by the special task force appointed by Chief Justice Bales, and ensure responsible pro-business implementation.

**OPPOSE U.S. DEPARTMENT OF LABOR'S CONFLICT OF INTEREST RULE:** Oppose Department of Labor's proposed rulemaking to expand what is considered fiduciary investment

advice under the Employee Retirement Income Security Act ("ERISA"), and its potential negative impact on small business retirement plans.

**STRENGTHEN THE USE OF ECONOMIC ANALYSIS IN RULEMAKING:** Continue to support implementation of the 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 ON 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 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 rulemaking 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 significantly decrease the regulatory burden at the federal level. Encourage agencies to proactively reduce regulatory burdens.

**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 local 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. With respect to procurement, (1) support ready access to the procurement file and associated public records, (2) streamline the adjudicative process for protests and appeals as "appealable agency actions," and (3) align the exercise of discretion for the issuance of a pre-hearing stay with applicable law commensurate with the standard for stays on appeal of final agency decision. Support legislation to provide for expanded regular and periodic review by the Auditor General or other appropriate agency of state and local government agencies and statutes to identify those agencies, programs, and statutes that should be eliminated, consolidated, or modified and to streamline regulatory processes set forth in Arizona statutes.

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

**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.



## 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 implementation of a business court designed to expedite business proceedings and attract judges who have business experience and expertise.

**SUPPORT STATUTORY IMPROVEMENTS TO DETER SYSTEMIC ABUSE OF ARIZONA'S JUDICIAL SYSTEM:** Work at both the state and federal levels to improve laws that provide important protections to vulnerable populations by ensuring these laws achieve their intended impact of compliance and do not allow for serial, unnecessary, and costly litigation to be brought against Arizona businesses.

## 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;

Transparency in cases involving asbestos trust claims;

Curtailing abusive patent troll litigation.

## 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.

## 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.



Robert A. Henry, Chairman (Snell & Wilmer LLP)

## PRINCIPLE

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.

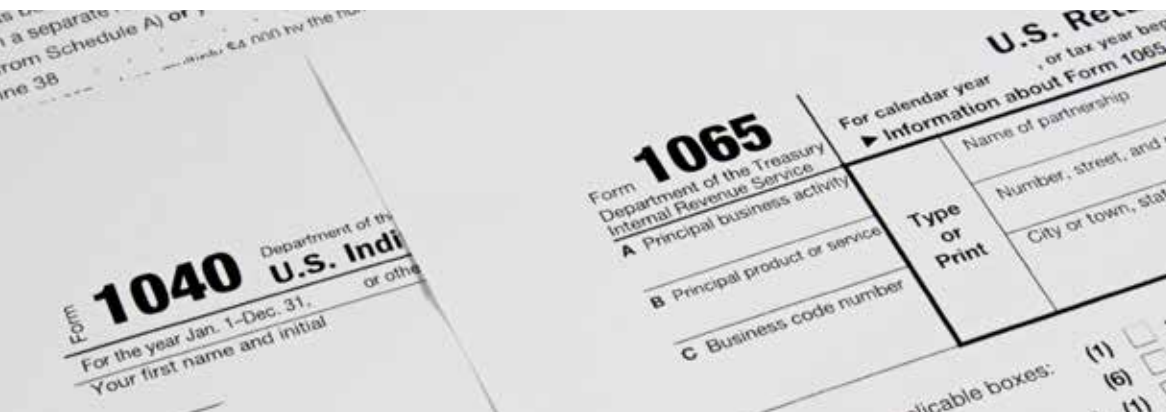
**FURTHER IMPROVE ARIZONA'S TAX CLIMATE:** Support a taxation system that is locally, regionally, and globally competitive, fair, consistent, easily administered, and equitable, and that provides revenue on the broadest possible basis at the lowest possible tax rates. The taxation system should stimulate 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, including but not limited to impact fees, is lawful, appropriate, necessary, and subject to strict accountability measures.

**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. Support efforts to improve Arizona's K-12 education system to ensure all children have access to a quality education.

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

# TAXATION



Dean Riesen, Chairman (Redrock 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. Resist the expansion of secondary taxing jurisdictions.
- ▶ **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.

Support the continued implementation of various tax reforms, including but not limited to corporate income tax reductions, capital gains tax reductions, assessment ratio reductions, personal property exemptions, sales factor, and the elimination of TPT on manufacturers' electricity and natural gas consumption. Maintain the permanent indexing of tax brackets to inflation.

## SHORT-TERM GOALS

### State Policy:

**MOVE TOWARDS MORE COMPETITIVE BUSINESS PROPERTY TAX RATES:** Continue reducing the assessment ratio for business property taxes with the long-term goal of achieving greater parity with residential property taxes, without encouraging tax shifts to other taxpayers. Support a single assessment ratio for all types of property. Permanently eliminate state equalization assistance property tax rate.

**ENCOURAGE REFORMS TO MAKE THE DEPARTMENT OF REVENUE MORE TAXPAYER-FRIENDLY:** Work with the administration to implement reforms at the Arizona Department of Revenue to make its decisions more transparent and predictable. Support disclosures by the Department when it makes a change in interpretation including appropriate staff and technical needs.

**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. Ensure that any new revenue, including from taxation on remote purchases, is used in the most competitive, responsible way.

**SUPPORT EFFORTS TO REDUCE AND/OR ELIMINATE ANTI-BUSINESS TAX AT THE LOCAL LEVEL:** Examine local taxes that should be reduced and/or eliminated including the Spec Builders' Tax.

**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.

**SUPPORT TAX REFORMS THAT WILL IMPROVE ARIZONA'S COMPETITIVENESS:** Support efforts to strengthen Arizona's tax competitiveness, including but not limited to reductions in the state's income tax rates.

**SUPPORT EFFORTS TO REDUCE BUSINESS PERSONAL PROPERTY TAX:** Work to increase the personal property tax exemption as a way to encourage investment and business growth.

**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.

## Federal Policy:

**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

**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.

**ENSURE THE INSURANCE PREMIUM TAX RATE REMAINS COMPETITIVE:** Support the implementation of the insurance premium tax rate reduction 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.

**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).







Joseph Hughes, Chairman (American Airlines)

## 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 IMPLEMENTATION OF SECURE TRAVEL DOCUMENTS:** Support the Arizona Department of Transportation and Motor Vehicle Division in the implementation of travel documents that will be permissible for air travel.

**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 AND TRAVEL TAXES, POLICIES AND EMPLOYER MANDATES:** Discourage public policy initiatives that would unfairly tax or target Arizona visitors or the visitor industry. Oppose current and future jet fuel taxes that put Arizona at a competitive disadvantage.

**SUPPORT POLICIES THAT PROMOTE MEDICAL TOURISM:** Support policies that enhance Arizona's reputation as a world-class destination for cutting-edge healthcare 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.

**SUPPORT STATE PARK ATTRACTIONS:** Restore the State Lake Improvement Fund that was swept in 2008 to its original purpose.

## 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. Promote Arizona airports as providing one stop to the world.

**PROVIDE A SAFE ENVIRONMENT FOR TOURISTS AND TRAVELERS TO VISIT:** Support policies and element awareness campaigns aimed at reducing the act of human trafficking.





Jerry M. 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 and Foreign Direct Investment in Arizona.
- ▶ 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.
- ▶ Provide support for international flights.
- ▶ Continue promoting policies that foster economic growth for emerging markets.
- ▶ Work with partner business community organizations, like the Tucson Hispanic Chamber of Commerce to promote international trade's importance to Arizona's economy.

## SHORT-TERM GOALS

**SUPPORT THE LONG-TERM VIABILITY OF THE MEXICO TRADE OFFICES:** Support a long-term investment in the Mexico City and Hermosillo trade offices 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 filling open board seats on the Export-Import Bank board; expansion of the EB-5 visa program; as well as free trade agreements that open new markets and

create new jobs for U.S. businesses. Preserve current free trade agreements such as NAFTA. 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.

**SUPPORT TRADE CORRIDORS AND INFRASTRUCTURE:** 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. Continue to advocate for funding and development of Interstate 11.

**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.

## LONG-TERM GOALS

**ENGAGE THE PRIVATE SECTOR AND LOCAL GOVERNMENTS 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, CANADA, AND MEXICO:** Support legislation focused on strengthening Arizona's relationship with Mexico and Canada, specifically addressing the development of commerce and trade.

**SUPPORT PUBLIC PRIVATE PARTNERSHIPS:** Expand on ADOT's Public-Private Partnership ability by expanding to other agencies. Explore Public-Private Partnership possibilities for infrastructure projects such as water and waste water.







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.

**SUPPORT REINSTATEMENT OF HIGHWAY USER REVENUE FUND EXCHANGE PROGRAM:** When HURF funds are sufficient, encourage ADOT to restart exchanging local government federal aid funds with ADOT state funds to eliminate burdensome requirements associated with federal aid funding for local governments.

**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 uses authorized by law. Develop a schedule for full repayment of the funds historically taken from the HURF.

**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.

**PRIORITIZE PROJECTS TO ENSURE UNINTERRUPTED COMMERCE:** To the extent possible, promote allocation of funding to high priority structurally deficient and/or obsolete infrastructure associated with key freight corridors to avoid potential disruption of commerce.

**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 TRADE CORRIDORS:** Work within the state’s congressional delegation and within the federal transportation appropriations process to ensure funding for the development of Interstate 11 and the Sonoran Corridor.

**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

**CONTINUE SUPPORT FOR LONG-TERM TRANSPORTATION FUNDING:** Work with Arizona’s congressional delegation, the Arizona Department of Transportation, and the Governor’s office to advocate for transportation funding that provides Arizona with a fair share of funds for roads, highways, airports, 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 and the Sonoran Corridor.

**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. Support pilot testing of technology to prevent wrong-way drivers on state highways.

**IMPROVE TEENAGE DRIVER SAFETY:** Expand Arizona’s existing Graduated Drivers’ License law to include a restriction on the use of a mobile telecommunications device by a novice driver, utilizing a Class G license.

**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.



Molly Greene, Chairwoman (SRP)

Jason Baran, Co-chair (SRP)

Don Isaacson, Co-chair (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

**EDUCATE THE PUBLIC ON ARIZONA'S WATER SUPPLY, PLANNING, AND MANAGEMENT:** Preserve the integrity of the 1980 Groundwater Management Act which has ensured reliable water resources during drought situations. Disseminate to the public and businesses accurate information on the impact of the drought to Arizona.

**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.

**PROTECT AND SUSTAIN 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: agreements, projects and related efforts that are designed to stave off a declaration of Colorado River shortage and protect water elevations in Lake Mead such as implementation of the Lower Colorado River Basin Drought Contingency Plan (DCP); augmentation of Colorado River water supplies, including activation of the Yuma Desalting Plant; and other efforts to increase the reliability and overall health of the Colorado River system. Support state and federal legislation to authorize implementation and fund the DCP.

**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 the legislative process to review the water rights adjudication process and ensure that the current statute corresponds with existing case law.

**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.

**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.

**HEALTHY FORESTS:** 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.

## LONG-TERM GOALS

**PROMOTE SOUND WATER MANAGEMENT TO INCREASE WATER SUPPLY RELIABILITY:** Promote sensible water conservation policies and sound water management, including maximizing the beneficial use of water and water reuse. Promote and support water conservation efforts that are implemented in order to protect water elevations in Lake Mead.

**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 CAGRD's ability to meet current and future recharge obligations.

**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.

**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.

**ELECTRICITY RATE REFORM:** Encourage state policymakers to update utility rates for solar rooftop customers that distribute system costs equitably by creating mechanisms that recover grid costs from distributed generation customers, enhance cost transparency, and minimize cost-shifting between consumer classes to ensure all customers pay a fair and equitable share of costs to maintain the electric grid and to keep it operating reliably at all times. Support electricity rates that equitably charge customers for their use of the grid and encourage customers to reduce strain on the electric system during high/peak-use times of the day.

**ENCOURAGE NATURAL GAS STORAGE:** Adopt legislation or rules to facilitate natural gas storage and support the construction of natural gas storage facilities.

**DIVERSIFY ENERGY SUPPLY:** Encourage diversification of energy supply including renewables, advanced nuclear, natural gas, and advanced coal technologies.

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

**SUPPORT STATE TRUST LAND REFORM:** Constructively participate in efforts to develop a Trust Land reform ballot proposition to improve the management, planning, and funding 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.







Ellen Poole, Chairwoman (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 with a minimum of government mandates and regulations. Support laws to deter costly litigation.
- ▶ 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, and enable businesses to hire and easily verify workers.
- ▶ Ensure an affordable, stable, competitive, and high quality property and casualty insurance system.
- ▶ Ensure a fair and competitive system of unemployment insurance.
- ▶ 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.

## SHORT-TERM GOALS

**ENSURE THAT THE INDUSTRIAL COMMISSION DOES ITS WORK OBJECTIVELY IN ORDER TO FURTHER A POSITIVE ECONOMIC CLIMATE IN ARIZONA:** Work to advance reforms that establish an appropriate structure of the ICA to ensure responsiveness to the concerns of the business community.

**MAINTAIN A UNIFORM STATEWIDE WAGE LAW:** Prevent the establishment of local government wage and benefit laws that could result in a minimum wage different than the state's.



**SUPPORT THE IMPLEMENTATION OF EVIDENCE-BASED MEDICAL STANDARDS:** Ensure that the Industrial Commission fulfills its statutory mandate by expeditiously developing and implementing a comprehensive set of evidence-based treatment standards for the most frequently occurring work injuries.

**PROTECT EMPLOYERS' ABILITY TO MANAGE THEIR WORKPLACE AND WORKFORCE:**

Clarify the standard of proper classification of an independent contractor versus an employee in a manner that errs on the side of labor mobility, and encourage expeditious classification reviews by DES.

Maintain employers' rights to determine employment policies, salaries, and benefits.

Protect the private property rights of employers.

Ensure that immigration laws do not harm legitimate businesses.

Maintain Arizona's right-to-work status.

Protect employers, their property, and business reputation from damage by malicious concerted action.

Protect business due process rights.

**IMPROVE THE OPERATIONS AND TRANSPARENCY OF ARIZONA'S OSHA PROGRAMS:** Continuously work to improve the way the Arizona Division of Occupational Safety and Health (ADOSH) interacts with business. Promote due process, Alternative Dispute Resolution (ADR), and the fair and economical adjudication of OSHA citations. Strengthen the right of businesses to recover their attorney fees and costs when OSHA prosecutions lack merit.

**PROTECT AND ENHANCE THE PROGRAM INTEGRITY, THEFT AND FRAUD PREVENTION PROGRAMS IN STATE GOVERNMENT:** Support a legislative and budgetary package to:

Provide tools through Department of Economic Security and Industrial Commission to enhance the ability of businesses to verify outside income in workers' compensation claims.

Bolster the effectiveness of the Department of Insurance Fraud Unit by the ensuring that all of the dedicated fees from insurers are invested in fraud prevention programs and are not diverted for unrelated obligations.

Ensure that Arizona's regulatory agencies have adequate authority and resources to protect employers who are self-insured for workers' compensation against fraud.

Support budget policies that ensure that the Auto Theft Authority can invest all of its dedicated resources from auto insurance assessments to the prevention and prosecution of the auto theft.

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.

**SUPPORT STATUTORY IMPROVEMENTS TO DETER SYSTEMIC ABUSE OF ARIZONA'S JUDICIAL SYSTEM:** Work to improve laws that provide important protections to vulnerable populations by ensuring the laws achieve their intended impact of compliance and do not allow for serial, unnecessary and costly litigation to be brought against Arizona businesses.

## LONG-TERM GOALS

**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 public policy options to improve the state's existing minimum wage law due to its impact on job creation, job retention, and performance-based pay for all workers.

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

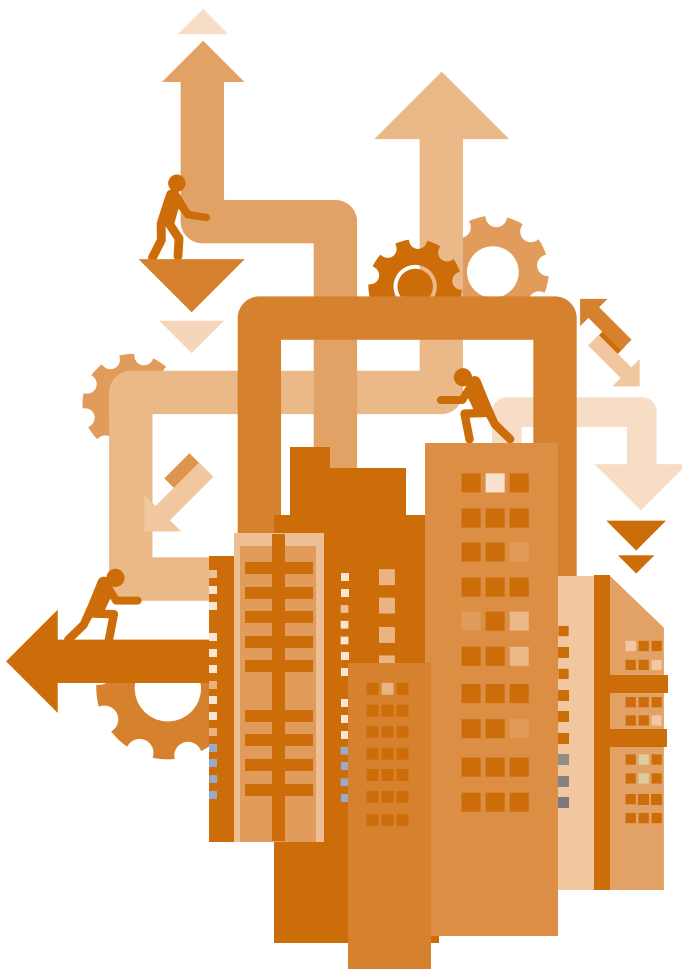
**PROMOTE FREE MARKET DELIVERY OF INSURANCE PRODUCTS AND SERVICES:**

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

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 EMPLOYERS' ABILITY TO HAVE A DRUG-FREE WORKPLACE:** Maintain protections for employers with drug testing policies so that they are protected from wrongful termination lawsuits by employees who are marijuana users.



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