



# TEXAS

A Publication of the Texas Association of Business  
Volume 24 | Issue 1 | January 2009 | www.TXBIZ.org

# BUSINESS REPORT



## TAB Ready To Meet Session Challenges with Relentless Effort

On the heels of the most dynamic Speaker's race in recent memory, the 81<sup>st</sup> Legislature will be gaveled into session on January 13<sup>th</sup> by new Speaker Joe Straus and Lieutenant Governor David Dewhurst.

In 2008, the Texas Association of Business developed its legislative priorities entitled *Creating Opportunities for Texas*. Never has there been a better chance for our state to create important business opportunities for our citizens than during this legislative session.

After being shielded from the worst economic crisis in the last seventy-five years, Texas is now experiencing the crunch of the national recession. Although tough choices made by legislators during the past five years led Texas to the most robust economic climate in America, there is temptation by anti-business legislators to roll back many of the important reforms instituted during the last five years.

"There are a number of issues that many thought were finally laid to rest in sessions past that, we feel, will definitely be addressed this session," said TAB President Bill Hammond. "Immigration bills have already been filed that would gut the workforce in Texas.

Our schools continue to deteriorate. And our state is facing monumental economic challenges. TAB will have to fight for every victory and even harder to defeat bad bills."

Vice President Cathy DeWitt, whose key issues include workers' compensation and employment relations said,

"We're going to fight any overregulation of business that hinders job growth and economic development. Government can never make a business a success, but it can certainly put someone out of business with overregulation and red tape. We



### WORKFORCE Q&A

*What is the Employee Free Choice Act (EFCA) and should I be worried about it?*

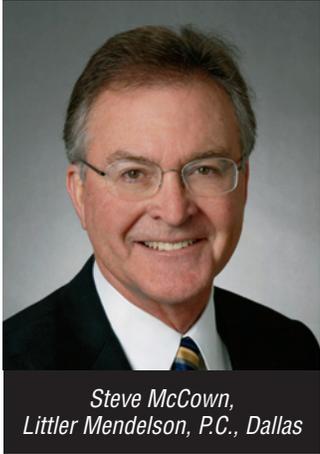
### EDUCATION

*"In 2006, for example, only 48 percent of high school graduates were college-ready in English, and only 52 percent in math, according to the Texas Education Agency"*

*--San Antonio Express News, December 15, 2008*

### TAB MISSION

*To make the Texas business climate the best in the world.*



Steve McCown,  
Littler Mendelson, P.C., Dallas

## ***What is the Employee Free Choice Act (EFCA) and should I be worried about it?***

The election of Barack Obama as the next President of the United States, coupled with the Democratic Party increasing its majority in both the Senate and House, increases the chances of passage of legislation making it much easier for unions to organize employers in the United States.

Organized labor has publicly stated that its top priority in the 111<sup>th</sup> Congress, which begins in January 2009, is passage of the EFCA. If enacted in its current form, EFCA would result in sweeping changes to the National Labor Relations Act (NLRA). It would amend the NLRA to:

- ★ Require the National Labor Relations Board (NLRB) to certify a labor union as the exclusive bargaining representative of employees through union authorization cards signed by employees, without the benefit of a government-supervised, secret-ballot election.
- ★ Require mandatory interest arbitration if an employer and a newly certified union are unable to reach a first contract within a relatively short period of time.
- ★ Expand the NLRB's remedial power for employer unfair labor practices during union organizing campaigns and during bargaining, including the authority to award civil penalties.

So, the answer to the question is yes, every business should be worried about EFCA.

In addition to active participation in the political process, employers need to develop a strategy to avoid the potential problems of the EFCA. This should begin with a comprehensive human resources audit to assess vulnerability to union organizing. From the results of the audit, a plan should be implemented to minimize exposure. Finally, training on the impact of EFCA should take place.

Employers should begin now to evaluate and reduce the level of union risk.

### ***Employment Relations questions?***

***Don't forget to call TAB's Employment Relations Hotline  
for your next HR Question  
1.800.856.6721, ext. 164 or E-mail [smcgee@txbiz.org](mailto:smcgee@txbiz.org)***

# **TEXAS BUSINESS REPORT**

**Volume 24 | Issue 1  
January 2009**

## **TAB STATEWIDE OFFICERS**

Don Bethel, *State Chairman*  
Gray Mayes, *Chair Elect*  
Larry Simmons, *Treasurer*  
Brett Graham, *Secretary*  
Bill Hammond, *President*

## **TAB TEAM CONTACTS**

Art Roberts, *Senior Vice President*  
Chamber Relations  
[aroberts@txbiz.org](mailto:aroberts@txbiz.org)

Sandra McGee, *Senior Vice President*  
Employment Services & Finance  
[smcgee@txbiz.org](mailto:smcgee@txbiz.org)

Dan Cahalen, *Senior Vice President*  
Membership Development  
[dcahalen@txbiz.org](mailto:dcahalen@txbiz.org)

Cathy DeWitt, *Vice President*  
Workers' Compensation, Tort Reform and  
Employment Relations  
[cdewitt@txbiz.org](mailto:cdewitt@txbiz.org)

Stephen Minick, *Vice President*  
Environmental Quality and Energy  
[sminick@txbiz.org](mailto:sminick@txbiz.org)

Kandice Sanaie, *Governmental Affairs Manager*  
Insurance & Health Care  
[ksanaie@txbiz.org](mailto:ksanaie@txbiz.org)

Enrique Marquez, *Communications Director*  
[emarquez@txbiz.org](mailto:emarquez@txbiz.org)

## **TAB REGIONAL OFFICES**

### **Southeast Texas Area**

Gerry Woods  
[gwoods@txbiz.org](mailto:gwoods@txbiz.org) - (281) 639-8136

Miles Resnick  
[mresnick@txbiz.org](mailto:mresnick@txbiz.org) - (409) 363-1481

### **Northwest Texas Area**

Marshall Jeffus  
[mjeffus@txbiz.org](mailto:mjeffus@txbiz.org) - (940) 642-5428

### **North Texas Area**

Mark Sadowski  
[msadowski@txbiz.org](mailto:msadowski@txbiz.org) - (214) 906-3361

*Texas Business Report* (ISSN0892-6816) is published on the 15th of every month by Texas Association of Business, located at: 1209 Nueces Street, Austin, TX 78701. Subscriptions are available at a rate of \$2.00, which is deducted from TAB members' annual dues. Articles may be reprinted with permission. Legislative advertising paid by TAB.

**Periodicals Postage Paid at Austin, Texas.  
POSTMASTER – Send address changes to:**  
Texas Business Report,  
1209 Nueces Street, Austin, TX 78701

## In The Spotlight: 2009 Texas Association of Business Executive Board

The Texas Association of Business proudly introduces the 2009 Executive Board Officers, who will provide the critical leadership and direction necessary to maintain the organization's status as the premier trade association in Texas.



*Don Bethel, TAB Chairman*

**Chairman Don Bethel** is President of the Bethel Group and a partner of Bethel Nix Realty in Lamesa, Texas.

Don is a community leader in his hometown of Lamesa, previously serving as mayor, on the City Council and as President of the Lamesa Chamber of Commerce.

"TAB has a proven record of winning the tough battles necessary to create economic development and job growth," said Bethel. "This year, our organization will again participate in some tough fights, but our officers, staff and members are committed to ensuring that Texas continues to maintain its place as the best state in America for business."

When asked about his vision for the organization in 2009, Bethel

said, "We must maintain the gains we've made and cannot backslide on our responsibility to the businesses depending on us to be their voice in Austin. With a new Administration in Washington and a polarized Legislature, we're expected to be at our best. We will be."

**Chair-Elect Gray Mayes** serves as the Director of Public Affairs for Texas Instruments, a Fortune 500 company and global technology leader. In that capacity, she manages federal, state and local government relations for TI. Gray has an extensive resume as a civic leader and political operative. Prior to joining TI, she worked in both the United States House of Representatives and United States Senate, including as North Texas Director for Senator Kay Bailey Hutchison.

**Treasurer Larry Simmons** is a partner at the law firm of Germer Gertz, LLP in Beaumont. Larry specializes in employment & labor and civil litigation defense. In 2007, he was named a Texas Super Lawyer, one of the highest accolades in the state's legal community. Larry has been one of the most active members of TAB and frequently hosts employment law information seminars on behalf of the organization.

**Secretary Brett Graham** is the owner of Graham International, a franchised international truck dealership; Graham Truck Centers, a truck tire dealership; and Texmex Adventures, a booking agency that assists anglers in planning fishing excursions. In addition to his successful businesses, Brett is a key asset to TAB as he works tirelessly for the Association. He has served on the Board of Directors for over a decade and chaired BACPAC, TAB's political action committee.

## TAB Prepares for Session *continued from page one*

expect to see even more anti-business legislation as last session, and we will fight those bills with the same vigilance as we have in the past."

"Water resource policy, air quality and climate change will be the environmental issues at the forefront of this legislative session," said Vice President Steve Minick. "TAB will work to ensure that efforts to fund the state's substantial needs for water infrastructure are cost effective, equitable and do not unfairly increase costs to businesses; that any requirements for compliance with new federal ozone air quality standards are both economically and technically justifiable; and that the Legislature avoids costly greenhouse gas regulations or ineffective cap-and-trade programs until the issue of climate change is effectively addressed at the national and international levels."

"Insurance will always be one of TAB's priorities," said Kandice Sanaie, TAB Government Affairs Manager. "During the process of TDI's statutory review by the Texas Sunset Advisory Commission, TAB's goal has been to be a prominent leader in making certain that TDI's continuation bill is clean, by lobbying against illicit modifications and inappropriate riders that could harm Texas businesses."

The challenges this session will be many, but TAB is prepared to meet adversity with relentless energy in the pursuit of quality legislation.

# MEMBER PROFILE

## Stress Engineering Services, Inc. *Matching Technical Excellence With A Passion To Serve*

Stress Engineering (Stress) helps businesses solve complex engineering problems. The organization takes great pride in helping a wide range of industries with solutions to help maintain, continue and improve business strategies and services for their clientele.

Stress Engineering was founded in 1972 by three engineers including current company president Dr. Joe Fowler. At its founding, Stress provided certified design reports for nuclear power plant equipment. When the U.S. stopped building nuclear power plants in the 1970's, Stress Engineering began working for the offshore oil industry, providing design, analysis, and testing services for critical service equipment.

Since 2000 they have built two major oil field test laboratories (with another under construction at Waller, Texas) to find large equipment failures in the lab rather than in the field. In the last seven years Stress started subsidiary companies to provide specialized design services for subsea completions and for advanced offshore drilling rigs.

Stress continued to grow into the 80's despite the petroleum industry recession. The company began serving a third industry: consumer products. Few may know, the same engineering and design premise that goes into an oil field seal also goes into the seal of a shampoo bottle.

Having the ability to handle virtually every need this innovative engineering company has become indispensable to its clients, being able to offer a wide range of services. They are well equipped to take on even the toughest technical problem.

In the simplest terms, Stress Engineering acts as an engineer's engineer. Diverse industries come to Stress for solutions. They serve over 800 clients in the Oil and Gas, Chemical and Refinery, Automotive, Consumer, Aerospace, Plastics, Pharmaceuticals, Medical Power and Utilities.

One major component to the company's success is their ability to adapt to a changing market. More importantly Stress is able to produce results others cannot. Stress engineers have advanced degrees from top tier schools, who help the design, development and engineering products for their customers.

The other challenge is finding and training sufficient numbers of qualified engineers. Fortunately, superior engineering schools in Texas have been able to provide the necessary workforce, but the education system in Texas must continue to prepare our children to be ready for careers and college. The Texas Association of Business is working towards accounting standards in education that would provide the kind of employee Stress Engineering seeks in their recruitment process.

Through membership with the TAB, President, Dr. Joe Fowler stands with other business leaders committed to keeping Texas prosperous. "I am proud to be a member of TAB and join with other business leaders to do our part and help

to make our state economy stronger for all our citizens, said Fowler."

***"I am proud to be a member of TAB and join with other business leaders to do our part and help to make our state economy stronger for all our citizens."***

***Dr. Joe Fowler  
President  
Stress Engineering***



***Dr. Joe R. Fowler P.E.  
President***

## Texas Leadership Profile:

### Speaker of the House Joe Straus (81<sup>st</sup> Legislature)

Republican Joe Straus currently represents House District 121. He has served in the Legislature since February 2005, winning a special election to succeed current-Railroad Commissioner Elizabeth Ames Jones.

Educated at Vanderbilt University, Straus previously worked in the administration of President George H. W. Bush at the U.S. Department of Commerce and on numerous Republican campaigns throughout Texas. Currently, he is a principal of a prominent insurance and executive benefits firm.

During his two legislative sessions, Straus was appointed to the Committee on Economic Development, Local and Consent Calendar Committee, and the Committee on Regulated Industries. He has made lowering taxes and business development top priorities, and has earned a 94 percent lifetime rating by the Texas Association of Business.

Straus has been awarded both the Champion for Free Enterprise and Fighter for Free Enterprise by TAB as a result of his commitment to

championing economic development in Texas. These two awards represent the highest honors given to members of the Texas Legislature. Noting that he is “a proponent of low taxes, economic growth and other totems of fiscal conservatism,” Texas Monthly selected him as one of 35 Texans who will shape the future of the state.



Speaker of the House  
Joe Straus

“Since his 2005 special election, when TAB’s political first supported his candidacy, we’ve known that Joe Straus is, and will be a rising star in the Texas Legislature,” said TAB President and BACPAC spokesman Bill Hammond.

“His quick ascent to the Speakership demonstrates the respect with which his colleagues regard his integrity, strong will, and vision for the future. I’m confident that his leadership will reflect the same pro-business agenda that has been a hallmark of his service to his district and the state of Texas.”

Straus lives in San Antonio with wife Julie Brinks Straus. The couple has two daughters, Sara and Robyn.

## QUOTES

“Having received the commitment of a strong majority of my colleagues, it is my goal to restore civility, fairness and transparency to the House of Representatives and its public-policy making process.”

– Joe Straus,  
Speaker of the House

“Genial and pragmatic, he’s a proponent of low taxes, economic growth, and other totems of fiscal conservatism...”

– Texas Monthly,  
February 2008

“I know the guy who has the gavel will maintain the concern of having a healthy business climate in Texas.”

– Bill Hammond,  
News 8 Austin

### 81<sup>ST</sup> LEGISLATURE AT-A-GLANCE

#### Texas House of Representatives

Speaker: Joe Straus (R – San Antonio)

Membership Body: 150

Republicans: 76

Democrats: 74

Seat differential from 80<sup>th</sup> Legislature:  
+3 Democrat

For more info visit: [www.house.state.tx.us](http://www.house.state.tx.us)

#### Texas Senate

Lt. Governor: David Dewhurst (R)

Membership Body: 31

Republicans: 19

Democrats: 12

Seat differential from 80<sup>th</sup> Legislature:  
+1 Democrat

For more info visit: [www.senate.state.tx.us](http://www.senate.state.tx.us)

# Talk **About** Business



Bill Hammond, TAB President

## Remove Roadblocks to Texas Transportation Crisis

President-elect Barack Obama has pledged to invest billions of dollars into building and repairing the nation's infrastructure as a way to bolster the U.S. economy. It's unclear if such a stimulus package could help pull America out of a recession, but there is no question, at least in Texas, that our transportation infrastructure is falling apart and is long overdue for a major overhaul.

According to the Texas Department of Transportation (TxDOT), Texas road capacity has only grown 8 percent in the past 25 years, while the population has increased 57 percent and road use has almost doubled. In the next 25 years, road use is expected to increase 214 percent.

People are flocking here for job opportunities and a higher standard of living. Our state's business climate is robust. Texas has been named the best state to do business by CNBC. And we are one of the few states in the country currently not facing a budget shortfall.

But how long can Texans stay ahead of the game when excessive traffic congestion is plaguing every metropolitan area in the state?

The problem is that state spending has simply been unable to keep pace with increasing demand brought on by population growth and economic progress. TxDOT estimates that the state lacks \$86 billion for necessary transportation projects between now and 2030.

The crisis is only bound to get worse — unless we take action now.

Governor Rick Perry plans to call on the Legislature to find long-term transportation funding solutions during the upcoming legislative session. If we are going to increase road capacity in the time that we need, public-private partnerships must be a part of the equation.

Thankfully, legislators studying the issue of using public-private partnerships to fix Texas' highway deficiencies recently released a report that came to the same conclusion.

Private investors provide innovation, greater efficiency and cost savings, which results in transportation projects completed faster and at a lower cost to Texans. By leveraging private investment, we will have the roadways we need but otherwise cannot afford.

Last year, the Legislature imposed a two-year moratorium on most new privately developed road projects and imposed limits on comprehensive development agreements (CDAs), which allow for a competitive bidding and selection process for Texas transportation projects and allow the state to accelerate the financing, design, construction, operation and/or maintenance of these projects.

Lawmakers must ensure that CDA authority, which is set to expire August 31, 2009, continues, and also that the contract terms attract long-term investors, making investing in Texas' future worthwhile.

It's up to us to fix our transportation crisis. If Congress passes Obama's plan, there is no way to know how much money Texas would receive for transportation infrastructure. Regardless, if we want to continue to lead the nation in terms of job growth and quality of life, we must use all the resources at our disposal to provide congestion relief in the most cost-effective manner possible.

In short, we need the world's best companies bringing the world's best solutions to our table.



1209 Nueces Street  
Austin, Texas 78701

(512) 477-6721 phone  
(512) 477-0836 fax

[www.TXBIZ.org](http://www.TXBIZ.org)

**TEXAS BUSINESS REPORT**