



# TEXAS

A Publication of the Texas Association of Business  
Volume 26 | Issue 9 | September 2011 | [www.TXBIZ.org](http://www.TXBIZ.org)

# BUSINESS REPORT



## Career Ready Graduates

### *Schools And Businesses Partner To Ensure a Quality Workforce*

When you think of the purpose of high school, most of us think it's to get students ready for college. That's certainly one goal, but not every student wants or needs to go to college. "We need more welders and fewer anthropologists," said Bill Hammond, President and CEO of the Texas Association of Business. "Students need to know that there are good paying careers that will allow them to support a family and have a good life that don't take college degrees. However, most do take some kind of training."

High schools are not very successful in actually getting students ready for college judging by the number of students taking remedial classes once they get there. "About 80% of our students are in developmental math," said Glynis Strause, Dean of Institutional Advancement at Coastal Bend College in Beeville.



*TAB supports career and technical education to ensure a strong workforce.*

As far as career ready out of high school, there are very few good-paying jobs that students can get without some kind of post-secondary training or education. That's where career and technical education comes in. It's not a new concept, it used to be called vocational education, but there are many new choices to help students go in the right direction.

There are new partnerships forming all the time between high schools, community colleges and employers who are looking for a trained workforce. Students still in high school can take

## WORKFORCE Q&A

*Our company requires all employees to sign confidentiality agreements which prohibit employees from divulging confidential and proprietary business information. One of the examples of confidential information included in the agreement is "personnel information." One of our managers tells me it is not legal to have that confidentiality requirement, is that correct?*

(see page 2)

## COLLEGE CONCERNS

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**Tuesday, October 18  
Hilton Austin**

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## TAB MISSION

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

# WORKFORCE Q&A



Bob Nichols,  
Bracewell & Giuliani LLP

***Our company requires all employees to sign confidentiality agreements which prohibit employees from divulging confidential and proprietary business information. One of the examples of confidential information included in the agreement is “personnel information.” One of our managers tells me it is not legal to have that confidentiality requirement, is that correct?***

The National Labor Relations Act (NLRA), the federal law that generally governs union organizing and union representation, also creates rights for non-management employees to engage in certain “concerted activity” regardless of whether the employee works in a union or non-union workplace. As part of that statutory right, employees must be free to discuss with other workers and non-employees their wages, benefits and other terms and conditions of employment.

As a result, the National Labor Relations Board (NLRB), the agency that administers the NLRA, prohibits employers from having rules, policies or agreements for their non-management employees regarding confidentiality that encompasses “personnel” or “employee” information. While an employer is certainly free to have a confidentiality policy or agreement that covers such things as intellectual property, customer information and most other types of business information, a policy or agreement which explicitly or implicitly would indicate to employees that this confidentiality requirement extends to employee or personnel information generally is unlawful.

Therefore, if you have a policy or standard agreement addressing confidentiality, you will want to ensure that the document does not include language indicating or even suggesting that the confidentiality requirement covers information related to employee compensation, benefits, other terms or conditions of employment, or “employee” or “personnel” information generally.

In fact, in addition to avoiding the use of this type of language in a confidentiality policy or agreement, an employer may be well advised to include an explicit disclaimer to the effect that nothing in the document is intended to limit employees’ rights under the NLRA.

Particularly with the NLRB currently taking a more aggressive approach to employee rights than in past years, employers should carefully assess whether they have any confidentiality requirement that runs afoul of these NLRA restrictions.

## ***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 26 | Issue 9  
September 2011

## TAB STATEWIDE OFFICERS

Brett Graham, *State Chairman*  
Rudy Oeftering, *Chair Elect*  
Carl Erhart, *Treasurer*  
John Bass, *Secretary*  
Bill Hammond, *President*

## TAB TEAM CONTACTS

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)

Nelson Salinas, *Governmental Affairs Manager*  
Education  
[nsalinas@txbiz.org](mailto:nsalinas@txbiz.org)

## TAB REGIONAL OFFICES

### Central Texas Area

Ron McGill  
[rmcgill@txbiz.org](mailto:rmcgill@txbiz.org) - (254) 913-0752

### North Texas Area

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

### Northwest Texas Area

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

### Southeast Texas Area

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

Russ Penson  
[rpenson@txbiz.org](mailto:rpenson@txbiz.org) - (816) 286-9122

*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.  
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Texas Business Report,  
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# Texas Back Under The Microscope

## A 1999 Flashback



*Texas has made great strides to clean up the environment.*

Governor Rick Perry's Presidential Campaign means, once again, Texas and its policies will be the subject of a great deal of media attention. We've already seen a lot of this when then Gov. George W. Bush ran for President in 2000. Back then, Texas environmental policy was hammered as being weak. You can be sure you'll see that attempt made again this time around.

When you hear the national media saying that one reason Texas business climate is good is because the State is weak on the environment, don't believe it. The truth is Texas has made major progress in cleaning up the air over the past decade, while still leading the country in creating jobs and setting population growth records.

So what is major progress? Try hundreds of thousands of tons of air emissions a year taken out of the air from doing things like deregulating the energy market. All those reductions were made, while at the same time leading the nation in electricity production.

The State has spent close to \$1 billion to clean up diesel emissions from school busses, not only protecting all of us outside those busses, but protecting the kids riding inside as

well. The State is putting \$5 billion into new power lines to get clean wind energy produced in west Texas to the folks that need it east of the Interstate 35 corridor. Texas leads the nation and is one of the top producers in the world of wind power.

Some folks think Houston will never meet clean air standards, yet the city is well on its way to doing just that. In fact, it's about three years

ahead of schedule. The Dallas/Ft Worth Metroplex is almost at the level of meeting the current, eight-hour clean air standard.

Remember that all of this progress is happening while the State of Texas sees record population growth. That means more homes and businesses in need of power and more people taking to the roads, yet the air is cleaner.

The State, however, isn't rewarded for its efforts. Instead Texas has been included in the new EPA cross-state pollution rule that could cost us thousands of jobs (see "Talk about Business" on the back page for more details). What needs to be made clear at a time when Texas is under more national scrutiny are the facts that it is possible to clean up the air, grow our population, and not kill jobs all at the same time.

The President's action to drop a new ozone standard recently can give us hope that he's starting to get the message that over regulation is costing this country jobs. Let's hope that the President will continue to feel the pressure of the campaign and understand that more job killing environmental regulations is exactly what we don't need right now.

## Career Ready

*continued from page one*

dual credit courses, where they get credit toward graduation and credit toward a post-secondary certificate or degree that will help them find employment shortly after high school.

The Texas Association of Business is a strong advocate of continuing to grow these kinds of programs in high schools across the State. Texas must have more of this kind of training to ensure that we have a workforce that meets the needs of business, and the needs of students to get good jobs making good money.

Strause said that about 20% of Coastal Bend College enrollment comes from students taking dual credit courses. In some cases, she said, if students take these dual credit courses starting their junior year in high school, they can walk across the stage with an associate's degree at the same time they get their high school diploma. "They would be ready with a marketable skill when they graduated or 30 to 60 hours of college credit." That, she said, would make the 12<sup>th</sup> grade more of a transition year. "That would dramatically change the readiness of our workforce."

Strause said businesses, especially small businesses, should get more involved to ensure that the programs being offered by schools are addressing the weaknesses that they are seeing in the workforce. The Texas Association of Business believes that the future of Texas jobs depends on these kinds of programs. We can't remain a job creation leader without a workforce trained to fill those jobs and without programs that work with employers to meet their needs.

# MEMBER PROFILE

## Blazer Electric and Satellite – For Veteran, Texas Is ‘Land Of Opportunity’

John Cloutier was deliberate in his decision to leave the West Coast for Texas in 1996. Packing up with his wife and two sons wasn't easy, but he knew the pieces of the puzzle were here.

A veteran with technology skills acquired during his U.S. Navy service, this master electrician and president of Henderson-based Blazer Electric and Satellite found his stride as a Texan. Cloutier grew up in San Diego, and says he felt by age 15 that if you didn't already have money and access, there “wasn't room in that mess to grow a family or business from scratch.”

“I had set foot on five continents and visited 42 states, and in my heart I always knew this place fit us,” he says. “Texas seems to be the last frontier for the capitalist. Not to mention I wanted my sons to say ‘Yes, sir’ and ‘Yes, ma'am.’ ”

Founded in September 1998, Blazer Electric and Satellite provides commercial and residential electric, satellite, and voice and data IT services. Hard work over 13 years has paid off, and Blazer readily gives back to those who have helped the company prosper.

“Our Blazer family takes great pride in what we consider our 365-Day-a-Year-Texan Plan. We have volunteer firefighters, community-involved employees. We can support that because we live in a state that stays out of our way,” Cloutier says.

Cloutier is president of the Henderson Area Chamber of Commerce and Rusk County Rail District and campaign chairman for Rusk County United Way. He's also active at the State-level with the Texas Association of Business (TAB), serving on the Board of Directors.

“Despite some of its weaknesses, Texas is far and away the place to do business. I owe my success to the opportunity this state allows, and TAB is a huge part of that.”

The battles TAB fights to keep regulation and taxation under control are critical for Blazer Electric and Satellite's continued success.

“We have been blessed to do over \$20 million in gross revenues our first 13 years,” Cloutier says. “After starting with 700 bucks and an old pickup truck, we needed to re-invest and grow when we turned a profit. TAB and Texas allowed us to do that.

“This is everything I wanted my business to be for my community. We belong and matter here. I do the heavy lifting with and for our folks. We do not need the government to do that.”

The entrepreneurs who continue to flock here only make Texas better, according to TAB President and CEO Bill Hammond.

“TAB members like Blazer Electric and Satellite work day after day to build strong businesses for their communities,” Hammond says. “We take seriously the task they trust us with—to advocate in Austin and Washington for their right to provide jobs for Texans.”

“I know many folks who have moved here, just like me,” Cloutier says. “Most of the other states reacted poorly to their budget challenges. This is the land of opportunity, and I thank Bill Hammond and the TAB staff for protecting Texas business.”

***“This is the land of opportunity, and I thank Bill Hammond and the TAB staff for protecting Texas Business”***

***- John Cloutier,  
Founder and President  
Blazer Electric & Satellite***



*Bucket-Michael Searcy, handing sledge hammer,  
John Cloutier, gray shirt, Patrick Dooley*

# Senator, Member Launch Federal Center

US Senator John Cornyn joined TAB President and CEO Bill Hammond and Austin Glass and Mirror Owner and TAB Member Don Bayer at a news conference to launch TAB's Texas Center for Federal Policy.

"Texas has been a shining example that limited government, lower taxes and less regulation of our businesses helps to grow jobs and move our economy forward.

Now more than ever, Washington is in need of a fresh approach, and I'm pleased TAB will be helping to share Texas' success story," Senator Cornyn said.

Bayer worries about his business and his employees in this

environment of free flow Washington spending. "In our business, we have to balance our budget, we have to plan cash flow, live within our means. We want painless solutions to these problems, and you're not going to ever get painless solutions to these problems. We have to stop at some point and take care of the budget and take care of the spending. Hopefully

the government sucks it up and does the right thing. If they would have done the right thing years ago we wouldn't be where we are today. To continue down this path would be ludicrous."

TAB's Texas Center for Federal Policy will focus on solutions to funding problems in four key areas: the National Debt, Medicare, Medicaid and Social Security. The Center was created at the urging of TAB members to try to bring Texas' business friendly solutions to the serious budget and entitlement problems facing all of us at the Federal level.

The goal of TAB's

Texas Center for Federal Policy will be to offer solutions to get the public and lawmakers moving in the direction of fixing problems, not just talking about them. These solutions vary, but are all based on tried and true formulas: empower people; allow the free market to flourish; and demonstrate a renewed respect for fiscal responsibility.



TAB President Bill Hammond, U.S. Senator John Cornyn, Austin Glass & Mirror President Don Bayer

## HIGHEST HONOR FOR CHAMBER LEGEND

Former TAB Senior Vice President Art Roberts lifetime of service is recognized by the American Chamber of Commerce Executives. Roberts has been presented the Life Member Award, the highest honor in the chamber of commerce profession.

"It was just frankly overwhelming," said Roberts. "I assumed it was going to be a little plaque, I had no idea that I was going to be invited to the national convention and be involved in a presentation following former (California) Governor Schwarzenegger. The other thing is all of the congratulations that have come afterward have just been amazing."

"Art is a rare individual who has demonstrated outstanding commitment to

his profession and to the communities he has served," says Mick Fleming, ACCE president. "His dedication to progress throughout decades of chamber and community leadership positions, in addition to the guidance and experience he has provided ACCE, deserve our most sincere thanks and highest recognition."

Roberts has served the chamber profession for 41 years. Within that time he led four chambers of commerce, headed a state chamber executives association, facilitated more than 500 planning retreats for local chamber boards and associations (something he still does in "retirement") and wrote two books—one was required reading at the U.S. Chamber Institute for 11 years.

## QUOTES

"The Washington Post quoted TAB President and CEO Bill Hammond while talking about the Texas education budget. "If we don't have an educated workforce, the jobs will leave.""

— "How will Rick Perry's budget affect education," Aug. 16, 2011

"TAB President and CEO Bill Hammond is quoted by the Ft. Worth Star Telegram as part of a story talking about Governor Perry's jobs record in Texas. "I think he [Perry] deserves a lot of the credit for where we are... If it weren't for his leadership, we'd be doing a lot worse.""

— "Perry's jobs record in Texas isn't clear-cut," Aug. 18, 2011

"The Austin American/Statesman did an extensive article on the Texas Center for Federal Policy launch, quoting TAB President and CEO Bill Hammond. "So many of the challenges we face are coming out of Washington, D.C., (the association's members) decided this is something we needed to do,""

— "Texas lobbying group looks to shape national issues," Aug. 17, 2011



1209 Nueces Street  
Austin, Texas 78701  
(512) 477-6721 phone  
(512) 477-0836 fax  
[www.TXBIZ.org](http://www.TXBIZ.org)

# Talk **About** Business

## When Blackout Threats Become Reality



Bill Hammond, TAB President

Remember the rolling blackouts during the extreme cold this winter? Are you ready for more of the same all summer long next year? Are you ready for thousands of jobs to be lost? Are you ready for businesses to stop coming to Texas? That's what is likely to happen if the EPA is successful in including Texas in its cross-state air pollution rule, which takes effect at the first of the year.

We've heard the threats of rolling blackouts this summer because of hot temperatures and record power usage. If you take away a significant percentage of the State's capacity to produce electricity what do you think will happen? That's right, what was a threat becomes a reality and we start losing power on a regular basis.

The State will lose that capacity because the EPA's cross-state air pollution rule would force Texas lignite coal-fueled power plants to shut down or reduce output, eliminating perhaps as much as 10% of the State's capacity to produce electricity. The EPA figures that those plants could just import low sulfur Wyoming coal and burn that instead of Texas lignite. The EPA figures wrong. It would take a long time to convert and permit those plants,

and it's not cost effective to do that anyway. There's another problem too. Right now there is no excess production of coal in Wyoming to meet the additional demand and the transportation infrastructure to get all that extra coal from Wyoming to Texas is not going to appear overnight.

So couldn't Texas just use some existing natural gas plants to make up the difference? That is EPA's assumption. Of the plants they seem to believe are available, however, some have long been moth-balled or partially dismantled, no longer have valid permits, or have even been torn down. So the answer is probably not.

What happens to your bottom line? Nothing good. We will all pay higher electric rates. It's simple supply and demand, the same or greater demand, less supply, prices go up. That's not good for any of us. For businesses still trying to recover from some really bad economic times this could mean layoffs to meet the bottom line. For those businesses looking to move to Texas from other states, this might just make them decide to stay put. Who wants to come to a place where the rates are high and the lights go out every time it gets hot? I wouldn't.

When it comes to jobs let's not forget the people who work in the mines producing Texas lignite coal to keep our lights on. There are 14,000 of them. These are good jobs with good pay. Where will those folks go if the EPA dries up the market for Texas lignite? Many of these are rural jobs. The rural economy of Texas has been through enough with the ongoing drought without another blow like this.

EPA included Texas in the rule because of a computer model showing that emissions from Texas will travel over 500 miles to one air monitor in one city in Illinois. That's it. Just that single air monitor on a computer simulation stands between all those mining jobs, continued job growth, and our lights staying on or going off. These are just computers; real air monitors don't show a problem.

Texas has taken big steps in the last decade and made big strides in cleaning up our air. Keep in mind that we're talking about ten years. What the EPA wants now is for Texas to make a similar kind of progress in four months. They seem to think that can happen, but realistically it simply can't without causing severe economic damage to Texas, its businesses, and its people.