

# 2013 FEDERAL PRIORITIES

T E X A S A S S O C I A T I O N O F B U S I N E S S

# Executive Summary

The Texas Association of Business (TAB) lobbies in Texas and in Washington, D.C. to make the voice of Texas business heard. The federal priorities of the Texas Association of Business (TAB) represent the most important issues to the employers of Texas at the national level. For your convenience, we have compiled our agenda that is developed and approved by the TAB Board of Directors.

TAB's guiding philosophy in taking principled positions on legislative issues is that what happens at our State and Federal Capitol directly impacts the bottom line of employers, employees and families in our state. With a healthy business climate comes a strong tax base for the state; a friendly regulatory environment for businesses; improved access to a world-class education; more career opportunities during times of prosperity; and, most importantly, a better quality of life for Texas families.

TAB proudly takes its marching orders directly from Texas employers each time the association communicates with our state and federal leaders; fighting for employers every step of the way. TAB knows that what is best for Texas business is what is best for Texans. For over 85 years, TAB has been the undisputed leader in positively impacting and building the Texas business climate. The top issues of our members at the federal level include:

- *Taxes & Spending*
- *Regulatory Environment*
- *Education*
- *Health Care*

TAB hopes to create an environment where businesses continue to thrive, the economy remains robust, and the Lone Star State continues to shine.

# BUSINESS REGULATIONS

## Congressional Approval of Major New Regulations

Support efforts to strengthen the authority under the Congressional Review Act or similar legislation to require congressional approval before any major rule (defined as having a cost in excess of \$100 million) can take effect. Such authority would provide some check against regulatory agencies and improve the accountability of Congress in terms of the appropriate latitude given to federal agencies in federal statutory language.

## Establish a Congressional Office of Regulatory Analysis

Support the creation of an independent, non-partisan office that would function like the Congressional Budget Office, but focused on reviewing the impact of proposed legislation and the presumed costs and benefits of proposed federal regulations.

## Establish a Sunset Review for Existing Federal Rules

Support the establishment of a federal sunset process for existing rules that will ensure that regulatory agencies periodically review the need for older regulations, as well as integrate needed updates and reforms into any new regulations being promulgated.

## General Regulatory Policy

- *Support efforts by the federal government to allow the marketplace to be governed effectively by market dynamics and minimize regulatory burdens.*
- *Support policies established by government agencies that ultimately seek to empower customers, not regulators.*
- *Support a regulatory climate that does not impose hidden taxes on employers and consumers through excessive rules, fees and fines and reduces excessive regulations in order to promote, rather than impede, economic growth, investment and job creation.*

# DISASTER RECOVERY

## Disaster recovery

Support initiatives to improve federal emergency aid for disaster response, reimbursement to responders and recovery funding. Support the determination and application of fair allocation methods to establish eligibility for federal recovery funds.

# Education and Workforce

## **Accountability**

In accordance with the No Child Left Behind Act, support a system that measures the progress of students as well as the performance of school districts. Support the idea that, in return for increased federal spending, school districts must be effective in turning out students who are better prepared. Support a system that provides a mechanism to shut down or restructure school districts who continue to fail through local action. Oppose efforts to govern school districts through federal intervention.

## **Cross-Border educational development**

Ensure that all children residing in Texas are taught English and make it a priority for them to become proficient as soon as possible.

## **Federal block grants**

Support efforts to fund state workforce programs through federal block grants with maximum flexibility on the use of the funds.

## **Funding**

Give flexibility to local school districts to allocate federal funds to the areas of greatest need. Oppose measures to place demands on the specifics of spending federal monies.

## **Licensed Occupations**

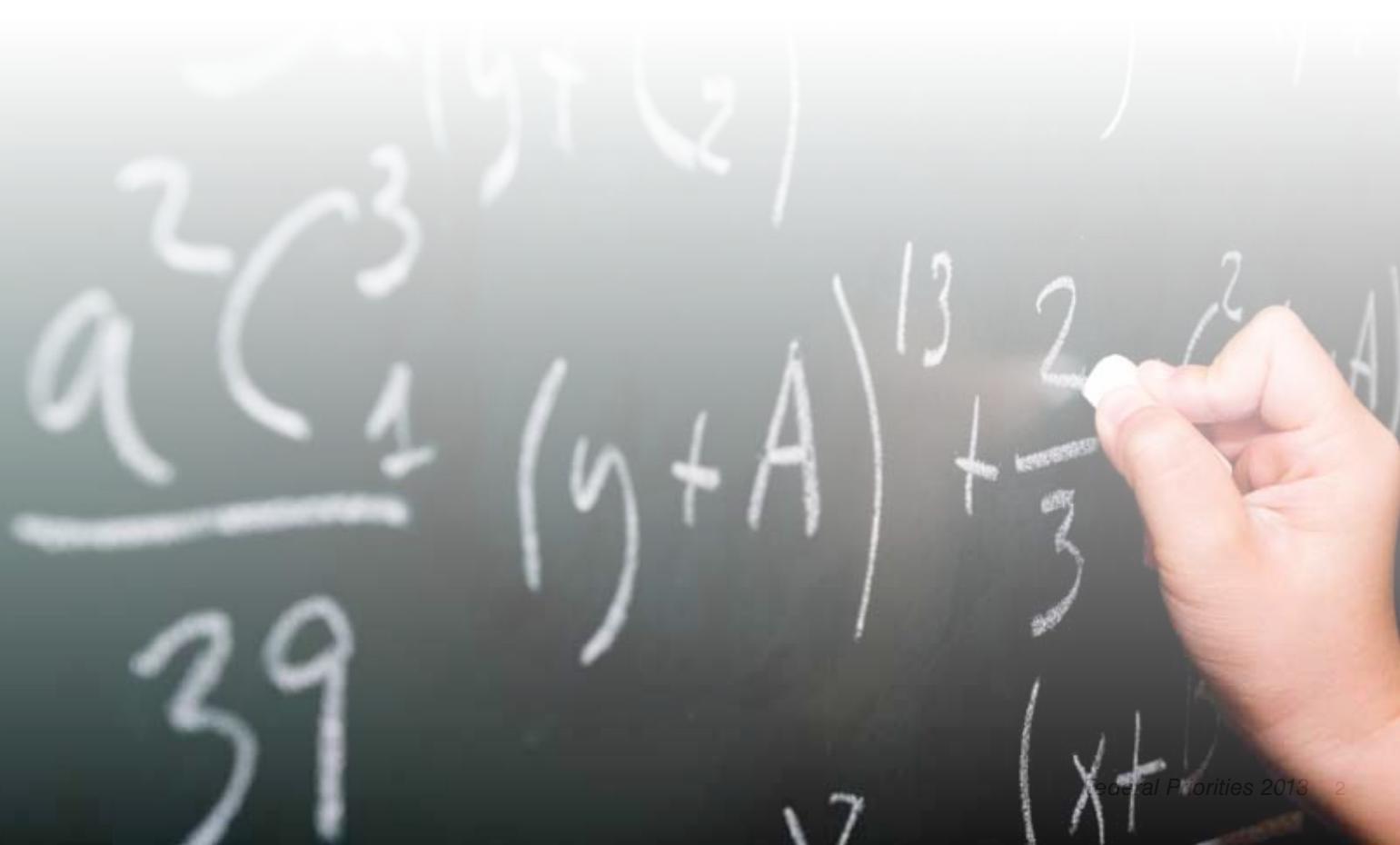
Advocate for policies that will ensure updated federal regulation on instruction practices of licensed occupations.

## **Testing**

Support annual testing of students to ensure that school districts are providing the necessary tools for the success of students in the basics of reading, science and math. Oppose any measures to eliminate testing students on basic skills.

## **University-based research**

Following recommendations issued by the U.S. Council on Competitiveness and the National Academies Report entitled Rising Above the Gathering Storm, strengthen the climate in the U.S. for innovation and encourage Congress to provide additional funding for university-based research in the physical sciences. This includes further increases in the budget for the National Science Foundation and other engineering-related research initiatives.



# Employment Relations

## Alternative Dispute Resolution (ADR)

Support maintaining the Federal Arbitration Act and support the right of employers to make binding arbitration or other ADR programs a condition of employment. Oppose efforts to increase the burden of regulations on ADR.

## Background Investigations

Oppose efforts to restrict background investigations including reference, credential or education certifications; criminal history; credit checks and drug tests.

## Collective Bargaining

Oppose federal efforts to unify state collective bargaining laws for public safety officers employed by state or local governments.

## Devolution of Federal programs to the States

Support transferring control over federally-mandated programs like unemployment insurance to the states, thereby reducing employers' tax burdens and increasing state responsibility for workforce-related programs.

## Drug Testing

Support efforts to allow states to drug test unemployment insurance beneficiaries as a condition for receiving benefits.

## Employee Free Choice Act

Support efforts to protect an employee's right to vote in a private, Federal government-supervised election during organizing campaigns; and oppose efforts to require an arbitrator to produce a first contract binding on the employer and employees if the union and employer could not negotiate and mediate a contract within a short time period.

## Employer Compensation Decisions

Oppose efforts that limit employers ability to base pay on factors such as education, experience and salary history.

## Fair Labor Standards Act Reform

Support efforts to reform wage and hour laws to allow more flexibility for employers and employees in hours worked during a pay period before mandating overtime pay.

## Family and Medical Leave Act (FMLA)

Oppose efforts to lower the threshold for FMLA coverage from the current 50 employees that would subject even more employers to the complicated and burdensome requirements of that law, and oppose any initiatives to require employers to pay for FMLA leave with unemployment insurance taxes.

## Forewarn Act

Oppose efforts to expand the requirements of the Worker Adjustment and Retraining Notification (WARN) Act to 90 from 60 days in the event an employer orders a plant closing or mass layoff.

## Fraud control

Support legislation to allow the Texas Workforce Commission (TWC) to hire outside contractors on a pay-for-performance basis to assist in efforts to detect and remedy unemployment benefits fraud.

## Healthy Families Act

Oppose efforts to mandate a one-size-fits-all paid sick leave package that could result in significant costs for employers as well a loss to employees who prefer other benefits rather than sick leave.

## Minimum wage

Support efforts to maintain the minimum wage. Increasing the minimum wage would have a detrimental effect on business, especially small business.

## OSHA Penalties

Oppose efforts to unnecessarily increase regulatory burdens and increase fines for employers. Support efforts to provide protection from liability for employers required to comply with OSHA requirements that may conflict with environmental or other safety requirements.

## Unemployment Savings Accounts (USA)

Support fundamental changes in the unemployment insurance system that would abolish traditional federally controlled unemployment insurance programs in favor of establishing individual USAs for employees that would be available if needed for unemployment, training, or as a supplement to retirement income.

## Union dues check-off

Oppose efforts to allow public employees or require private employers to subsidize or promote labor unions or similar organizations through payroll collection of dues and contributions.

## Workplace Flexibility

- *Oppose efforts to expand required leave benefits to allow employers to create flexible workplace programs and policies to meet the needs of an ever-evolving workforce.*
- *Support efforts to allow private-sector employers to provide comp time, giving these employers the option of offering their hourly employees the choice of compensatory time off or pay for overtime hours worked*

# Energy

## Clean Energy Development

Encourage expanded federal research and development programs for clean energy technology with a high priority toward:

- *development of low-emission coal-fueled technology;*
- *technically feasible carbon storage and sequestration that is consistent with Texas geology and maximizes the potential for ancillary recovery of other energy resources; and*
- *other advanced emission controls related to energy development and production.*

## Domestic Energy Production

- *Support efforts to maximize the development and production of domestic energy sources to improve energy security and remove barriers to diversification of the domestic energy market and job growth in the domestic energy industry.*
- *Support efforts to remove obstacles to development of offshore energy sources that allow some states to benefit from the supply of products derived from offshore production in other states while unreasonably prohibiting local or regional access to offshore energy resources.*
- *Support efforts to remove unreasonable restrictions on development of new energy resources, such as shale natural gas resources, based on unsound or unproven technical assessment of environmental impact.*
- *Oppose efforts to slow or delay production of domestic energy resources under the guise of "studying" environmental impacts or attempting to supersede state authority for regulation of oil and gas exploration and development.*

## Energy Diversity

- *Support a federal energy program that allows a free market to determine how best to meet the goals of increasing the diversity and sustainability of fuel and energy sources, including the use of oil, natural gas, coal, wind, solar, nuclear, biomass and waste-derived power, developed and made available in an environmentally safe manner.*
- *Support efforts to encourage energy conservation and rational energy efficiency policies that are voluntary, cost effective and consistent with free market principles.*

- *Support efforts to promote the development and use of renewable energy sources that are technically feasible and capable of competing in an open market.*
- *Oppose any Congressional efforts that would require the use of specific fuels for industrial sources.*
- *Oppose the use of environmental regulatory controls that have the specific effect of promoting an alternative energy policy, such as forcing fuel switching by increasing regulations on coal and oil or natural gas powered energy facilities.*

## Renewable Energy

- *Support federal government efforts to foster research and development of renewable energy sources and technology, including storage technology for sources such as wind and solar, with the specific goal of bringing to the market energy sources that can compete with more traditional and dependable energy sources without distortions in markets or unreasonable cost increases to any class of consumer.*
- *Oppose those efforts which mandate specific utilization of renewable sources in the supply mix that do not clearly and adequately protect against unfair and unreasonable cost impacts to consumers.*



## **Electricity**

- *Support full and fair competition and customer choice in the electricity industry that will provide for nondiscriminatory open access to facilities for wholesale and retail transactions.*
- *Support federal government efforts that rely on market forces to provide adequate and reliable energy supplies and do not mandate specific sources of energy used in electric power generation that discriminate among energy options, inhibit efficient markets and harm consumer, investor and public interests.*
- *Oppose efforts that will force the abandonment of critical, affordable electric generation capacity based on climate change or environmental policies that have not been demonstrated to be based on sound scientific principles or an accurate assessment of real costs and benefits.*
- *Support energy policies that avoid subsidies and loan guarantees that create incentives that favor particular fuels, technologies or industry participants.*

## **Grid Reliability**

Support requirements that any federal rule that impacts electric generation must clearly take in account the effects on electric reliability and the potential costs of service interruptions due to lack of adequate reserve margins.

## **Energy Efficiency**

- *Support those energy efficiency measures that allow the free market to determine what is technically feasible and cost effective.*
- *Oppose energy efficiency measures that impose unfair or discriminatory requirements on manufacturers, result in unreasonable costs to consumers or negatively affect competitiveness in national or international markets.*

## **Tax and Capital Formation**

- *Support efforts to maximize the full development of our energy resources by providing laws and regulations that ensure adequate capital formation.*
- *Oppose any changes to tax law or policy that reduce incentives for domestic energy production or which treat domestic energy producers inequitably when compared to other businesses or producers.*

## **Pipeline and Transmission Capacity**

- *Support efforts that will ensure that the federal government will assist and encourage the construction of additional pipeline and transmission*

*capacity from producing regions to consuming regions to meet growing demand and maintain the integrity of existing infrastructure in order to continue to protect public safety.*

- *Support the Keystone pipeline project and other infrastructure projects that will enhance our domestic energy security and expand the uses and markets for domestic energy products.*

## **Refinery Capacity**

Encourage the development of a new refining capacity in the U.S. and ensure that increasing environmental regulations must take domestic refining capacity and energy security into consideration.

## **Smart Grid Technology**

The term "smart grid" refers to the use of modern computer, meter and communications technology to improve intelligent and efficient operation of the electric power grid and enable consumers to better manage consumption.

- *Support the proper development and use of smart grid technology to ensure more efficient use of available power resources and reduce the environmental impact of power generation and use.*
- *Support the expansion of smart grid technology, where cost effective, and the use of existing communications infrastructure where it can be demonstrated to reduce cost or enhance reliability and security of the grid.*

# Environmental Quality

## Climate and Energy Policy

- Support federal research efforts on climate change if those efforts are focused on an understanding of the natural functions of global climate and forcing factors and fairly consider all sources of legitimate scientific evidence.
- Support federal climate and energy legislation that promotes the production of domestic energy sources in the most environmentally protective manner that is economically practical.
- Oppose greenhouse gas limitations that do not derive from energy efficiency, development and utilization of clean energy technology and market-based incentives for changes in energy production and consumption.
- Oppose greenhouse gas limitations that do not equitably apply to all global emission sources, will not have any significant effect on actual greenhouse gas conditions or adversely affect the competitive position of U.S. businesses in world markets and simply shift business activity and greenhouse gas production overseas.
- Support efforts to require that any greenhouse gas regulation adopted by EPA must first demonstrate a positive ratio of costs to benefits solely within the United States and cannot be based on a cost analysis in which presumed benefits from other countries offset negative economic factors in the U.S.
- Oppose cap-and-trade proposals for greenhouse gas regulation intended to affect energy markets or prices.
- Support attempts by Congress to re-assert its constitutional role to establish regulatory authority in law and prohibit EPA from regulating greenhouse gases under the Clean Air Act.
- Support revisions to the Clean Air Act that will restore a common-sense focus on actual pollutants and direct protection of public health rather than efforts to implement an energy policy agenda through regulation of air quality.

## Clean Air Act Amendment

The developments in air quality and air quality regulation have rendered the specific provisions of the original Clean Air Act less than useful in addressing the current conditions, sources of pollutants and technologies available. Just as changing circumstances led to the major amendment of the Clean Air Act in 1990, it is time, after more than two decades, to re-visit the statute and make changes that will ensure that the statute is both consistent with its original intent and better able to address current conditions and needs.

- Support amendments to the Clean Air Act that will clearly focus the act on pollutants that represent direct public health threats and prevent its application to greenhouse gases and climate change or energy policy.

- Support Clean Air Act revisions to the State Implementation Plan process to address all sources of pollution, including foreign sources, restore the cooperative state-federal relationship intended in the original Act and modify the rulemaking process to ensure that costs and benefits of air quality regulations are accurately determined and used appropriately in decision making.

## National Air Quality Standards

- Support efforts to limit further attempts by EPA to impose more stringent ozone or other pollutant National Ambient Air Quality Standards until efforts to meet existing standards are demonstrated to be achieving no progress in air quality improvement.
- Support reform in the scientific review process for air quality standards to ensure that any proposed changes must be based on more clear and certain justification of risk reduction and protection of public health.
- Support efforts to require that the technical justification for air quality standards be based on public disclosure and peer review of all scientific evidence, disclosure of conflicts of interest by researchers and other sources of data used to support regulatory air quality standards and rigorous standards for scientific validity.
- Support legislation and Congressional oversight to ensure that federally-regulated emission sources are required to institute emission reductions contemporaneously with and commensurate with the reductions imposed upon sources regulated by the states in attempting to meet federal air quality standards.

## EPA Regulatory Actions

- Support efforts to prohibit EPA or other federal regulatory agencies from arbitrarily rescinding or re-interpreting regulatory policies, guidance documents or agency regulatory authority except as expressly provided by law, including all applicable public notice and comment opportunities.
- Support efforts to require EPA to limit the number and significance of proposed rule changes and regulatory actions to ensure that all statutory requirements for analysis of potential cost and environmental impact are fully complied with and that all affected parties have both appropriate notice of proposed actions and adequate opportunity to assess and respond to EPA initiatives.

## Air Quality Control Technology

Support efforts that will prohibit EPA's re-interpretation of best available control technology to require changes in fuel source for combustion sources or any alternatives that represent fundamental changes in design or purpose of a proposed emission source not related to emission controls.

- Oppose efforts by the EPA to use environmental justice concerns to prevent industrial and business development of an area based upon its racial and economic demographics.

## Toxicology and Risk Assessment

- Support efforts that will prohibit the imposition by EPA of more stringent environmental standards based on uncertain scientific evidence or solely on statistical correlations in the absence of clear demonstrations of cause and effect relationships between exposure and health effects.
- Support efforts to require a more rigid and thorough peer-reviewed process for establishing any new environmental exposure standard or screening level.
- Support efforts to ensure that conservative screening levels for chemical constituents established for the purpose of guiding further regulatory actions or permitting decisions are not inappropriately utilized as enforceable regulatory standards.

## Endangered Species

- Support comprehensive reform of the Endangered Species Act that will:
- End the practice of preventative listings and require that no species can be listed as endangered until a proper scientific basis for listing has been clearly established.
- Balance costs and benefits and ensure that the economic activities that are shown to actually negatively affect an endangered species are accommodated to the maximum extent practicable.
- Support voluntary efforts that can be shown to provide adequate species accommodation without having to list a species.
- Recognize that species survival may depend on natural changes in population dynamics and that it is not the role of government to alter or attempt to change the outcome of natural species interactions. No regulation or prohibition of economic activity is warranted in response to an endangered species listing to address the natural interaction of one species and another.
- Streamline the process of delisting so that unnecessary regulation of economic activity based on outdated or inadequate scientific justification is ended as soon as a factual basis for the delisting is confirmed.
- Support efforts to adjust the required response of the US Fish and Wildlife Service to petitions to list endangered species consistent with budget appropriations and resources and prohibit the use of the process of "sue and settle" for the purpose of establishing schedules for listing decisions that preclude the opportunity to develop an adequate scientific basis for listing.

## Coal Combustion Wastes

- Support efforts to ensure that states retain the primary legal authority to regulate management, storage and disposal of coal combustion wastes.
- Oppose any efforts by EPA to reclassify coal combustion wastes or by-products as hazardous waste or impose any additional material storage or use requirements that are not based on a clearly demonstrated and documented risk to public health.

## Recycling

- Oppose legislative efforts to implement mandatory take-back programs for consumer electronics, appliances or other products that unfairly place the cost burdens and legal liabilities on manufacturers and/or distributors.
- Oppose limitations and restrictions on the types of materials contained in electronics and appliances produced or sold in Texas.
- Support voluntary take-back programs, and support research programs that would lead to increased recycling, refurbishment and reduction of hazardous materials in landfills.
- Oppose recycling incentive programs that create enforcement liabilities for landfill operators who receive materials that are safely disposed in modern compliant landfills.

## Environmental Justice

- Support the granting or renewal of permits on the basis of the technical sufficiency of an application for approval and appropriate environmental and health-based standards.

# Health Care

## Access and quality

Support increasing access and choice of health care programs by promoting the need for market-driven health care policies. TAB would support a proposition that would provide for the equal tax treatment of individual and group health insurance. Further, TAB encourages growth and reform in the individual marketplace.

## Bipartisan Medicare Secondary Payer and Workers' Compensation Settlement Agreement Act

Support efforts to streamline the settlement process by providing consistent standards and reasonable protections for injured workers and Medicare. Creating certainty will

## Chronic disease management

Effective disease management enables patients to live with their disease, getting on with their lives without being incapacitated. TAB supports legislation that would create better, more efficient tools for implementing good disease management programs, such as telemedicine, especially in the commercial insurance market. TAB would also support programs that help to facilitate changes in patient behavior.

## Drug Reimportation

Support efforts for Congress to study drug reimportation as a way to contain costs, but ensures patient safety. Employer liability. Prevent needless increases in cost and litigation, by way of the expansion of employer liability, by opposing any legislation that creates or expands causes of action against employers and insurance carriers for medical negligence or harm incurred by health care providers. Support providing independent, third-party reviews of medical claims denials.

## ERISA

Support efforts to preserve employer rights and employee health care system benefits of the Employee Retirement Income Security Act (ERISA). Oppose any legislation that would jeopardize the benefits of millions of Americans who receive their existing health insurance coverage through the employment-based system. Ensure that employers retain the right to craft their health care coverage without the burden of federal and state regulations.

## Health Savings Accounts (HSAs)

TAB supports empowering individuals to better-handle their share of health care costs and improve access to coverage through the expansion of HSAs and eliminating market restrictions on the accounts. TAB would support legislation to allow individuals to deposit pre-tax dollars to health savings accounts for individual or group policies and also would support increases and improvements in the variety of accounts that can be offered, as well as the carryover provisions.

## Information Technology (IT)

TAB supports the implementation of health IT initiatives to reduce medical costs and enhance care in rural, isolated and underserved communities. Easier access to personal medical records and treatment options allows patients to interact with physicians before health issues become more serious and more expensive to treat.

Mandated benefits. TAB supports eliminating federal and state mandated benefits. Further, TAB opposes any efforts to mandate specific benefits in health care coverage that significantly increase costs to employers and employees and eliminate the ability of employers and employees to choose the level of benefits they elect to pay for.

## Market flexibility

Ensure that market-based solutions and approaches are used in our health care system. TAB supports making coverage more affordable by monitoring and opposing health insurance regulations that increase the costs and undermine the concept of a free market for contractual medical services without contributing to better access and better quality of care for patients.

## Medical information

Support improvements in the quality of care and consumer comparisons by managing medical information and profiles of providers for health care purchasers and their employees, including the collection and sharing of cost and quality data. Monitor the Health Insurance Portability and Accountability Act (HIPAA) implementation and activities to ensure patient privacy and to protect the proper use of medical information and technology.

## Medicare / Medicaid reform

Support cost-containment in both Medicare and Medicaid. TAB supports converting the federal share of Medicaid spending into block grants, as a one-size-fits-all approach to addressing different states' health care issues is not a workable solution. Block grants will allow for better use of limited dollars and will be more effective and better suited to states' needs. TAB also supports changing specific components of the Medicare System by fixing structural problems that will allow the program to continue. TAB believes that making gradual structural improvements to Medicare, such as fixing the Medicare physician payment formula and creating caps on non-economic damages in medical liability lawsuits, will help to ensure that current enrollees continue to receive access to health care, while also ensuring that the program will continue for future generations.

TAB also supports other changes to Medicare/Medicaid, including:

- *Allowing states to use Medicaid dollars for a means-tested, premium subsidy program for purchase of private insurance policies;*
- *Support continuation of Medicare Advantage and other private, free-market Medicare solutions that emphasize preventative care and wellness program; and*

- Change Medicare to a means-tested premium subsidy program for purchase of private insurance for people under 55. For those over 55, make this an option.

*it is necessary to increase the momentum to fight for better tort reforms in the realm of health care, including caps on medical malpractice for doctors and more succinct tort reforms overall.*

### **Prescription drug coverage**

Support the standards already set in place for electronic prescriptions. TAB opposes plans that give too much power to government bureaucrats. Business should promote plans that include private-sector benefit plans for prescription drug coverage and oppose plans that jeopardize the financial health of Medicare or try to increase payroll taxes.

### **Patient safety**

Ensure patient safety and control costs by reducing the number of medical errors. Promote affordable, quality and safe health care.

### **Prescription Drug Monitoring**

Support a federal prescription drug monitoring database that states can access and more easily identify doctor shoppers and drug seekers.

### **Reauthorization of the Prescription Drug User Fee Act (PDUFA)**

Support legislation allowing for the reauthorization of PDUFA in order to ensure that patients' access to life-saving and life-enhancing new medicines is not delayed. PDUFA creates a regulatory environment that is predictable, transparent, and implements accountability for the Food and Drug Administration (FDA). This stability allows the businesses in the industry to deliver safe and innovative cures and treatments that will help people live longer, healthier, and more productive lives.

### **Repeal of the Patient Protection and Affordable Care Act (PPACA) and the Health Care & Education Reconciliation Act**

TAB supports the full repeal of PPACA ("Obamacare"). The law does little to stem the skyrocketing cost of health care and will be financed on the backs of small businesses. TAB supports legislation that will increase, not reduce, the quality of care for patients.

Further, TAB supports the following initiatives as they relate to PPACA and beyond:

- *Repeal of the Independent Payment Advisory Board (IPAB)*
  - *PPACA created a new federal panel which is comprised of unelected bureaucrats with unchecked authority to cut Medicare spending. IPAB's recommendations are exempted from both judicial and administrative review and are fast-tracked through Congress, putting at risk patient access and medical innovation.*
- *Health care liability*
  - *While it was not included in PPACA, TAB supports legislation to curb the use and abuse of class action lawsuits because it is critical to controlling costs in the health care system. TAB believes that*

### **Interstate Insurance**

- *Support the interstate marketing of individual health plans and allow insurance to be purchased across state lines. Support efforts to allow citizens to purchase insurance policies, which have been approved by the insurance boards of any state and contain adequate consumer disclosure, without imposition of individual, state insurance mandates, therefore increasing options for citizens in purchasing health care policies.*

### **Resident Physician Shortage Act**

Support legislation that seeks to address the shortage of physician residencies in the United States. However, TAB believes that it is imperative that the allocation of federal dollars for physician residencies be based upon population and not on the historical location of residency slots.

### **Safe Medicines**

Support legislation that seeks to end the use of counterfeit drugs which are a serious patient safety problem and a cost driver to employers.

### **Self-Referral**

Remove all safe harbors for self-referrals to in-office ancillary services and physician owned hospitals. Support amending title XVIII of the Social Security Act to exclude certain advanced diagnostic imaging services from the in-office ancillary services exception to the prohibition on physician self-referral. The amendment would close an in-office "loophole" to the self-referral law that would exclude advanced imaging, including MRI, CT and PET scans. TAB supports this additional regulation because it will yield a very high return on the cost of regulation measured in improved quality of patient care.

### **Tax credits**

TAB supports replacing the tax deduction for health insurance with a refundable tax credit. This means employees would pay tax on the amount the employer paid for employer provided insurance. TAB also supports developing alternatives for individually-owned health coverage such as allowing above-the-line deductions for individuals who pay their own health insurance premiums (including premiums for long-term care insurance). Congress should create forward-funded, refundable tax credits for the purchase of private health coverage for low-income individuals and families, and accelerate the 100% deduction of health insurance for the self-employed.

### **Transparency**

Increase the disclosure of providers and carriers in pricing and performances. Support finding ways to make private health care coverage more affordable and to provide fair and adequate reimbursements for care because the absence of real prices creates perverse incentives on both sides of the market and needs to be fixed.



# Immigration

## H1B Visa Caps

Global access to highly skilled technical workers is critical to the U.S. economy. While efforts to better prepare and guide American students into math, science and engineering-related degrees are under way, American employers need to be able to hire highly educated professionals with special skills in order to compete effectively. In particular, employers should have access to the foreign nationals earning advanced degrees at universities in the U.S. who, in some fields, now earn the majority of degrees. TAB advocates: (1) continued access to H-1B visas and (2) support for legislation to exempt foreign nationals who have received masters or Ph.D. degrees from universities in the U.S. from the H-1B cap.

## Immigration Reform

Support comprehensive immigration reforms that include the following three criteria important to the Texas business community:

- *Build an immigration system that allows enough legal immigration to meet employer needs.*
- *Create the ability for undocumented workers residing in the U.S. to obtain legal status.*
- *Create a reliable system for employers to quickly verify the legal status of job applicants without burdening employers with higher compliance costs or liability or shifting enforcement obligations from the government to employers.*

# National Security

## Homeland security

Support attempts to receive more federal dollars to offset the increasing needs for homeland security for all Texas ports and related waterways and for the border with Mexico.

## Secure Border Initiative Network (SBInet)

Support funding for the SBInet program within the Dept. of Homeland Security to help secure the border between Texas and Mexico by transforming border control through technology and infrastructure.

# Privacy

## Privacy

Oppose legislation and regulations that impose costly and unnecessary obligations on companies who use

# Taxes and Spending

information such as financial, medical, and social security numbers.

## Alternative minimum tax

Support long-term solutions to the problems created by the individual and corporate alternative minimum tax.

## Capital gains and dividends

Oppose any rollback of reduced tax rates on capital gains or dividend income. Support reforms to lower capital gains and dividend income tax rates and make provisions permanent.

## Capital investment

Support efforts to ensure a faster cost recovery of capital investment.

## Corporate income taxes

Support efforts to reduce corporate income taxes to increase business investment and profitability.

## Employment tax credits

Support permanent authorization of the Work Opportunity and Welfare-to-Work tax credits in order to provide continuity and more certainty to these programs to increase employment of disadvantaged workers and improve local economies.

## Federal funding

Support state policies and programs that maximize the receipt and use of federal matching and other funds for state purposes. Support federal efforts that return a fair and equitable share of federal funds to states based on their contributions. Oppose federal efforts to establish and enforce conditions, including changes in state law, for the receipt of any state's fair allocation of federal funds.

## Federal fiscal policy

Support efforts to prohibit deficit spending and limit spending increases to some rational index, such as growth in personal income.

## Federal unemployment tax

Support efforts to end what was intended to be a temporary federal unemployment tax surtax, repeal accelerated payment of federal unemployment tax and undertake a comprehensive review of the unemployment tax program to determine its effectiveness, fairness and value.

## Global competition

Support tax code reforms and trade provisions that will improve the ability of U.S. companies to compete fairly in global markets. Support federal tax rates that will be more consistent with those in other countries, remove disincentives for domestic re-investment of foreign income.

## Government Contract Withholding

Support the repeal of Section 511 of the Tax Reconciliation Act that mandates that federal, state, and local governments withhold 3 percent from payments for goods and services. This unprecedented withholding mandate will affect all government contracts as well as other payments, such as Medicare and certain grants, is totally unrelated to any actual tax liability of a business providing goods or services, and will add significant costs to both businesses and all levels of government.

## Health Insurance Tax (HIT)

Support the repeal of the HIT that will negatively impact the entire health care system by imposing a \$100 billion cost onto employers and consumers. The HIT tax will cost an estimated 250,000 jobs nationally and 6,000 private sectors jobs in Texas.

## Privatization

Encourage privatization of government functions where it can be shown that private, for-profit entities competing for opportunities can perform more efficiently and reduce overall government costs.

## Research and development

Support efforts to increase federal support of research and development to ensure that the U.S. remains a world leader in technical innovation and Texas receives an appropriate share of support commensurate with our standing as an economic leader and exporter of technology.

## Research and experimentation tax credit

Since its creation as a temporary measure in 1981, the research and experimentation tax credit has been extended thirteen times. The tax credit should be made permanent so that companies willing to invest in research and development to create jobs and expand businesses can undertake more certain long-range planning efforts.

## Tax Cut Rollbacks

Support efforts to make Bush tax cuts permanent.

## Tax-deferred savings

Support efforts to expand and enhance opportunities for tax-deferred savings instruments.

## Tax and regulatory policy

Support efforts to reform U.S. tax policy to create incentives for economic growth and foster, rather than penalize, technology investment. Oppose any attempts to generate additional revenues from businesses through revenue offsets or other indirect mechanisms such as limitations on deferral of income, changes in

# Tort Reform

foreign tax credit rules, limitation on certain inventory rules, windfall profits on oil, changes to marginal tax rates, or restrictions on deferred compensation.

## Tort reform

Encourage the appointment of judges who will support rational limits on damage awards in all cases, including employment-related litigation, and support legislation to strengthen and extend state and federal Supreme Court rulings regarding the reasonableness of punitive damage awards in all types of cases.

## Alternative dispute resolution (ADR)

Oppose attempts to abrogate business contracts or threats to the availability of alternative dispute resolution mechanisms, such as arbitration. Oppose attempts to impose binding arbitration on labor disputes between employers and employees.

## Asbestos

Support legislation that would require asbestos personal injury settlement trusts authorized by federal bankruptcy law to disclose information on their claims on a quarterly basis and respond to information requests from parties to asbestos litigation.

## Class action lawsuits

Reform class action rules.

## Federal preemption

Support the use of federal regulatory authority to preempt state common law claims for damages that are inconsistent with legal reform. Preemptions allows companies doing business in other states to operate under one set of rules rather than having to accommodate varying and perhaps even conflicting rules in each state.

## Frivolous lawsuits

Discourage frivolous lawsuits.

## Joint and several liability

Limit the application of joint and several liability.

## Mold Claims

Support reasonable Congressional solutions to address mold claims and the effect on the availability and affordability of insurance.

## Punitive and non-economical damages

Reform rules pertaining to punitive and non-economic

# Transportation

damages as well as contingency fees.

## Transportation Programs

- *Support federal transportation programs and initiatives which provide states the ability to pursue multi-modal solutions to transportation needs including highways, rail, air and marine commerce.*
- *Support mechanisms that return the maximum amount of revenues to the states both equitably and with the greatest degree of flexibility in state and local control over transportation priorities, planning and implementation.*

## Transportation Reauthorization

- *Support reauthorization of federal transportation programs that are focused on maintaining current levels of funding, prioritizing essential road construction and related infrastructure critical to economic opportunity and streamlining the process of project planning and approval.*
- *Support a comprehensive, multi-year reauthorization of federal transportation programs that will maintain federal highway funding levels without increasing tax burdens on businesses and create greater certainty for state and local planners, development companies and businesses investing in capital projects.*
- *Support increased flexibility in local and state options for transportation project prioritization and implementation and reduced federal mandates such as requirements for investment in bicycle lanes, alternative fuel infrastructure and parks and recreational facilities.*
- *Oppose efforts to expand the federal role of federal agencies such as FHWA or EPA in local projects or through expansion of the federal highway system by redefinition to include existing roads.*
- *Support an increase in the national TIFIA loan allocation in order to encourage and expedite private*

*sector involvement in improving our highway systems.*

- *Oppose federal funding allocations that result in Texas subsidizing public transportation or mass transit projects in other states.*
- *Support efforts to expand the use of public-private partnerships in transportation planning and funding and oppose measures that would penalize states for leveraging private investment in transportation projects.*
- *Support limitations on federal environmental review of transportation projects commensurate with documented need for review and degree of federal financial support.*
- *Oppose efforts to reduce the viability and role for small metropolitan planning organizations (MPOs) in the support and design of local projects.*
- *Support efforts to ensure that Texas is among those states that are eligible to regulate weight limits on highways that are part of the interstate highway system or that are added to the interstate highway system.*

## Harbor Maintenance Trust Fund

Support the Harbor Maintenance Trust Fund and legislation that will ensure the fund is used for the intended purpose of maintenance of Texas' federal waterways and channels and not diverted to other uses in the federal budget.

## U. S. Army Corp. of Engineer Studies

Support funding for the US Army Corps of Engineers studies of waterway improvements that are needed to keep pace with global demands for shipping and prepare Texas waterways, ports and terminals for the impact of the ongoing improvements to the Panama Canal and the anticipated increase in size and number of vessels entering Texas waters. Support funding for restoration of the Gulf Intercoastal Waterway in Texas to its design depth of 12 feet to support increased, cost-effective barge traffic.

## Federal Funding Formulas for Waterways

- *Support changes to federal funding formulas and procedures for waterway projects to ensure that cost-to-benefit ratios consider secondary benefits on a regional and national scale and prioritization of projects includes input from other federal agencies including Department of Transportation, Department of Commerce, and the Department of Energy.*
- *Support changes to the criteria for allocation of local match dollars to waterway improvement projects*

*that reasonably reflect the financial capacity of local sponsors and the anticipated economic, defense, homeland security and energy security benefits of the project both within and beyond local jurisdictions.*

- *Support authorization for Texas waterway and channel projects for which the study and review process has been completed and are now pending before Congress.*

#### **Bilateral investment and tax treaties**

Support new investment and tax treaties to protect investor rights and avoid double taxation in key foreign markets.

#### **Border environmental quality**

Continue support for cooperation and monitoring of environmental standards along the Texas/Mexico border to achieve a proper balance which is equitable for Texas employers and border communities.

#### **Export controls**

Oppose regulations that limit U.S. exports of widely available technology products, shutting U.S. companies out of key foreign markets and increasing red tape without achieving any real national security objectives.

#### **Global sourcing**

Oppose barriers to international business erected at the federal or state level that curtails global sourcing.

#### **Non-tariff barriers**

Press foreign regulators to ensure a level playing field for U.S. companies and free competition in their domestic markets through judicious use of competition policy, intellectual property law, technical standards, government procurement rules, and investment requirements.

#### **Promote free markets globally**

Lay the foundation for market-oriented

reform and private enterprise in emerging markets by building institutions that support open societies and a culture of entrepreneurship.

#### **Trade facilitation**

Work to make the flow of international commerce faster, cheaper, and more efficient through reforms of customs and port administration.

#### **Cross-Border Transportation**

Support improved highways, ports of entry and other infrastructures that facilitate trade, tourism and other legitimate cross-border traffic between Texas and Mexico; support development and funding of "international trade corridors" throughout Texas to accommodate current and future transportation demands resulting from the North American free trade expansion.

#### **Unilateral sanctions**

Overturn unilateral sanctions on foreign markets that shut U.S. workers, farmers and companies out of foreign markets without achieving their stated objectives.

#### **U.S. Export-Import Bank (Ex-Im)**

Support Ex-Im as tool to compete globally with other countries for exporting. Without export credit, the United States would adversely affect approximately 17,000 small and large suppliers across the nation.

#### **World Trade Organization (WTO)**

Build support among government and business leaders to open international markets for agricultural products, manufactured goods, and services through the WTO's Doha Development Agenda as well as Russia's accession to the WTO.

# Water

## **Environmental Review of Water Supply Projects**

Support changes to streamline and improve the permitting and environmental review process for new water supply projects to ensure that needed water supplies are available in a time frame to meet the critical needs of Texas' population and economy.

## **Overriding State Water Law**

It is vital that the specific provisions of state water law that have guided and controlled each state's allocation of water resources and economic and other water uses be respected by the federal government. Oppose efforts by federal agencies or Congress to effect local or regional water supply solutions by superseding state water law.

## **Endangered Species Act Impact on Water Resources**

It is critical to the development and productive use of state water resources that the needs of a growing population and economy not be minimized when federal agencies act to protect endangered species. Oppose proposals to list endangered species that will unreasonably control water

supplies critical to maintaining public health and safety and economic opportunity and support comprehensive reform of the Endangered Species Act to create balance in the Act between species protection and economic impact.

## **Clean Water Act Jurisdiction**

Support efforts to ensure that the definition of wetlands and navigable waters subject to federal regulatory authority does not extend federal jurisdiction to those waterways that do not demonstrate a functional or practical connection to navigable waters.

## **Water for Electric Generation**

Federal regulations and actions can potentially limit the amount of water available for electric generation and manufacturing processes. Support efforts that will ensure that federal actions will not have the effect of precluding the use of state water resources due to more stringent environmental regulatory controls (e.g., rules for cooling water intake structures) and negatively affecting the operations of electric generators and oil and gas operators through regulation of groundwater or surface water sources.



**State Headquarters**  
**1209 Nueces Street**  
**Austin, TX 78701**  
**512.477.6721**

**[www.txbiz.org](http://www.txbiz.org)**

Texas Association of Business  
1209 Nueces  
Austin, Texas 78701