



**Brooklyn Chamber
of Commerce**

Brooklyn Agenda for Recovery and Growth 2010

The Legislative Agenda of the Brooklyn Chamber of Commerce 2010

Annual Washington, DC Lobbying Trip
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Presented by:

The Government Affairs Committee of the Brooklyn Chamber of Commerce

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Brooklyn Chamber of Commerce *2010 Agenda for Growth and Recovery*

The Brooklyn Chamber of Commerce understands the tremendous fiscal challenges faced by the United States and recognizes that times of record unemployment, business loss and deficits call for a different approach to sustaining and growing the economy. We believe everyone throughout the country must share the burden of sacrifice equally but – notwithstanding the current economic climate – it is imperative that our representatives in government ensure we continue to make significant investments in future growth. The balance is a precarious one and as we focus on New York State, and of course Brooklyn, the Chamber believes invested resources will provide support for those key sectors with the ability to 1) increase the number of stable jobs for New Yorkers, 2) improve worker productivity and business profits, and 3) boost our State's tax base. The Brooklyn Chamber of Commerce respectfully submits its *2010 Agenda for Growth and Recovery*, which was created, in part, from feedback from our Members.

The Brooklyn Chamber of Commerce's Fall 2009 Member Issues Survey was conducted to gauge the business community's outlook for 2010, including health care, workforce, top obstacles to growth and views on local issues. Brooklyn is home to more than 43,000 businesses of all sizes, from sole proprietorships like Donovan Communications and Gavin Thomas Photo to large corporations like National Grid and Verizon. This annual survey for years has served as a good indicator of the pulse of Brooklyn's business community. The business community appears to be more optimistic in its outlook than it was last year during what seemed to be the height of the "Great Recession." The following are highlights from our latest survey.

Job creation and retention is paramount to economic recovery and Brooklyn Chamber Members told us the top three ways to help this happen quickly are:

- 1. Wage subsidies to offset the cost of hiring for the next 6 – 12 months**
- 2. Easier access to credit/loans**
- 3. Tax credits for hiring**

While we expected a high number of employers to tell us they had no plans to hire, we were pleased to find more than 36% have indicated they will make one to five new hires this year.



NYS LEGISLATIVE ISSUES	Support	Oppose	Don't Know
Mandatory Employee Benefits – The last several state legislative sessions have included vigorous debate about including a state law requiring minimum paid leave policies that private sector employers must offer their employees. These potential mandated, employee leave policies range from paid family leave to paid sick leave.	25%	42%	8%

QUALITY OF LIFE

To what degree are you concerned about the following quality of life issues?	Percentage citing problem or severe problem	Current rank	Rank in 2008 (Top 3)	Rank in 2007 (Top 3)	Rank in 2006 (Top 3)
Parking (availability/ violations)	69%	1	(2) 72%	(1) 79%	(2) 79%
Traffic (congestion)	63%	2	(1) 73%	(2) 74%	(1) 80%
Potholes and poor street conditions	52%	3	(3) 64%	(3) 68%	(3) 70%
Unfinished development/ construction sites	34%	4	–	–	–
Litter	34%	5	–	–	–
Other (please specify): <i>City should halt the issuing of new taxi medallions; traffic congestion has worsened since many two-lane streets were changed to a single lane with a bike lane that is rarely used.</i>					

OBSTACLES TO GROWTH

Obstacles	Percentage citing problem or severe problem	Current rank	Rank in 2008 (Top 8)	Rank in 2007 (Top 8)	Rank in 2006 (Top 8)
Increased cost of providing health insurance for my employees	54%	1	(1) 55%	(2) 52%	(1) 62%
Fuel or energy costs (gas, diesel, electric, oil, etc.)	51%	2	(2) 51%	(1) 55%	(3) 54%
Cost of general liability insurance	49%	3	(3) 48%	(3) 50%	(2) 58%
Access to credit/liquidity problems	44%	4	(6) 38%	(3) 50%	(4) 50%
Government regulations, fines and violations	44%	4	(8) 31%	(7) 39%	(5) 49%
Finding/hiring reliable, qualified workers	44%	4	–	(5) 43%	–
Traffic/transportation problems	42%	5	(4) 46%	–	–
Cost of real estate	38%	8	(7) 35%	(5) 43%	(6) 48%
Affordable housing for employees	35%	9	–	(6) 41%	(4) 50%
Corporate taxes	34%	10	–	(8) 30%	–
Other (please specify): <i>Increased government regulation; government fines and violations are interfering with my existing business, draining much needed time and money, and preventing my company from expanding – the DOB, ECB and the Mayor's Office of Special Enforcement are predatory on small businesses.</i>					



FEDERAL EXECUTIVE SUMMARY

1. HEALTH CARE

- **Reduce Upward Pressure on Small Business Premiums – SUPPORT**
Reduce costs and coverage mandates and pay for federal health care reform in ways that do not get passed along in the form of higher insurance premiums
- **Small Business Mandates – OPPOSE**
Continue encouraging small businesses to provide health insurance benefits without imposing new mandates
- **Increase Penalties for Uninsured Individuals Who Can Afford Coverage – SUPPORT**
To maintain the affordability of coverage for small businesses, penalties should be increased for uninsured individuals who can afford coverage
- **Keep Insurance Regulation at the State Level – SUPPORT**
We oppose S. 3078 and H.R. 4757, which attempt to increase the federal role in reviewing health insurance premium rate increases; states with knowledge of local markets are best equipped to ensure the solvency of insurance companies
- **Improve Small Business Tax Credits – SUPPORT**
Health insurance tax credits should be advanceable and refundable, continue indefinitely, and eligibility calculations should exclude higher wage earners

2. WORKFORCE DEVELOPMENT

- **Extension of the HIRE Act – CONSIDER**
If unemployment continues at or above 10%, HIRE should be reauthorized for a new calendar year
- Workforce Investment Act (WIA)**
- **SECTORS Act – SUPPORT**
The SECTORS Act should be incorporated into WIA allowing businesses to more effectively train staff
 - **Flexible Funding and Local Oversight – SUPPORT**
Allow Workforce Investment Boards the flexibility to merge programs
 - **New Models for Serving Business, Training and Education for 21st Century Workforce – SUPPORT**
The *Skills2Compete* campaign will ensure every American has access to at least two years of post-secondary education, training, or credentialed vocational skill instruction
 - **Funding On-The-Job Training (OJT) Programs – SUPPORT**
Use labor funding to subsidize OJT programs



3. ECONOMIC DEVELOPMENT

- **Expansion of HUBZones – SUPPORT**
Expand HUBZones into adjacent, qualifying areas to spur business and job development
- **Real Estate Development**

4. ENERGY

- **Comprehensive Energy Policy to Reduce Dependence, Create Jobs, Provide Eco-protection and Protect Consumers/ Businesses – SUPPORT**
Brooklyn Chamber is considering the details of the American Power Act, but supports its goals, particularly job growth, promotion of alternative fuel R&D and its use, and energy independence
- **Increase LIHEAP Funding – SUPPORT**
Low Income Home Energy Assistance Program (LIHEAP) protects the most vulnerable
- **Comprehensive Energy Legislation – SUPPORT**
Legislation that nurtures research, development and implementation of alternative energy is imperative

5. IMMIGRATION

- **Immigration Reform – SUPPORT**
As Brooklyn Chamber of Commerce considers HR 4321 – Comprehensive Immigration Reform for America’s Security and Prosperity Act – our Members are clear they support reform that does not impose undue burdens on businesses, expands the issuance of certain visas and addresses backlogs



1. HEALTH CARE

For nearly a decade, Brooklyn Chamber Members have consistently cited the lack of affordable health insurance as one of the biggest obstacles to their business growth. Rising premiums eat away at business margins, and some companies have been forced to drop coverage altogether. Businesses unable to provide health benefits find it more difficult to recruit and retain key employees; workers lacking access to health care are often less productive, which ultimately makes employers less competitive. In 2004, the Chamber responded to its Members' concerns by launching Brooklyn HealthWorks – a low-cost health insurance plan created in partnership with Group Health Incorporated (GHI), an EmblemHealth company, and the New York State Department of Insurance. Today HealthWorks covers over 2,650 employees and family members at nearly 560 small businesses in every business district and neighborhood throughout Brooklyn.

HealthWorks was never intended to be a permanent solution for employers in Brooklyn. Instead, the Chamber has consistently called on the State and Federal government for a comprehensive and more lasting solution. The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act signed into law in March 2010 complements reforms that have taken place in New York for nearly the past two decades. While we have concerns about some of the elements of the legislation, we are committed to working with the Brooklyn delegation to the House and Senate to maximize benefits for small businesses and minimize unintended consequences.

Reduce Upward Pressure on Small Business Premiums – SUPPORT

One of our major concerns about the federal health reform legislation is that it does not do enough to address our Members' number one concern – the increasing cost of health insurance premiums. While elements of the legislation may produce some savings, they will likely not off-set short-term increases resulting from new insurance mandates, such as the elimination of non-payment for pre-existing conditions and annual and life-time coverage limits that will apply to grandfathered plans and new offerings made available through state-level insurance exchanges. In addition, we have seen what premium taxes do to the price of small business rates in New York; they get passed directly onto small businesses and other consumers. Finally, it is counter-productive to cut Medicare and Medicaid provider reimbursement rates. These cuts are simply transferred to those with private coverage in the form of higher insurance premiums.

The Brooklyn Chamber supports greater efforts to reduce medical costs and coverage mandates and pay for health care reform in ways that do not get passed along to small businesses and other consumers in the form of higher insurance premiums.

Future Small Business Mandates – OPPOSE

The Brooklyn Chamber has consistently opposed health insurance employer mandates – especially for small businesses. We were pleased to see the final federal legislation encouraged small businesses to offer health coverage to employees through tax credits but did not mandate employers provide it. We also were pleased that the employer mandate exception for small construction companies was eliminated before final passage. Brooklyn's growth, development, and labor force relies on a robust and competitive construction industry. Employer mandates for small construction companies – especially during times of recession – inhibit economic activity and job creation for Brooklyn and the rest of the country.

The Brooklyn Chamber opposes future attempts to mandate any small business provide health insurance benefits to workers.



Fix the Penalty for Individuals – SUPPORT

The individual mandate is a very important piece to the federal legislation's overall success. Getting everybody into the insurance risk pool will help to ensure enough healthy people are paying into the system for those sick and in need of immediate medical care. The individual-level penalties for not obtaining coverage, however, are not nearly strong enough to incentivize everyone to obtain coverage. Some people – especially healthy individuals – will pay the relatively low penalty and obtain coverage only when needed. Adding to this likely outcome is that by 2014, all insurance companies will have to accept anyone applying for coverage – even those with pre-existing conditions – and pay for the treatment of those conditions immediately. A better way to encourage people who can afford coverage to obtain it is to implement the pre-existing rule as it currently exists in New York's insurance markets, i.e., require insurance companies to pay for pre-existing conditions immediately but only if there has not been a lapse in coverage of more than 63 days (per federal HIPPA rules). Otherwise, a carrier is allowed to deny payment (for the pre-existing condition alone) for up to 12 months. This is the only way to protect both consumers and the solvency of insurance carriers.

The Brooklyn Chamber supports increasing the individual penalty for not obtaining coverage and supports changing the pre-existing exclusion to allow insurance companies to deny payment for a pre-existing condition if an individual who can afford coverage chooses not to obtain a health plan.

Keep Insurance Regulation at the State Level – SUPPORT

Insurance regulation has traditionally been a function of state governments. Local insurance commissioners know best the nuances of insurance markets and should continue regulating carriers operating within their respective states – including the review of premium rate increases to ensure the solvency of insurance companies.

The Brooklyn Chamber supports keeping insurance regulation at the State level – including the authority to review premium rate increases to ensure the solvency of insurance companies. We oppose S. 3078 and H.R. 4757, which attempt to increase the federal role in reviewing health insurance premium rate increases.

Improve Small Business Tax Credits – SUPPORT

The new small business health insurance tax credits may help some small businesses, but likely not as many as originally estimated. While the tax credits are targeted to those small businesses most likely not to provide coverage (those with 10 or fewer employees) and to companies with lower-wage workers (those paying under \$25,000 annual salaries), many businesses may not take advantage of the new benefit because it is not advanceable or refundable. Because many small businesses have ongoing cash flow limitations, without an advanceable tax credit, many will not have sufficient immediate resources to contribute a minimum of 50% towards employee premiums. Furthermore, because the tax credits are not refundable, many small businesses will likely not benefit for many years as they have little to no tax liability due to limited net income. Finally, because the tax benefit is only good for two years after the exchanges are operational in 2014, many business owners may not want to be put in the difficult position of having to end a benefit after employees have gotten used to it.

The Brooklyn Chamber of Commerce supports improving the health insurance tax credits for small businesses so they 1) are advanceable and refundable, 2) do not exclude businesses with a few higher wage earners (i.e., does not include higher wage earners when averaging employee salaries), and 3) continue indefinitely.



2. WORKFORCE DEVELOPMENT

HIRE Act Extension – CONSIDER

The Brooklyn Chamber of Commerce strongly supported the HIRE Act bill upon its introduction. In an effort to support job creation, the Chamber currently is ensuring business owners are aware of the HIRE Act and that they realize the benefit of the tax credit as they make upcoming hiring decisions. We ask that Congress and the Senate consider a calendar year rollover of the HIRE Act into 2011 should the unemployment rate remain at or above 10% nationally in December 2010.

The Brooklyn Chamber of Commerce supports the use of federal tax credits to encourage job creation during periods of high unemployment.

WORKFORCE INVESTMENT ACT (WIA) – Priorities for Reauthorization

SECTORS Act (S777/H.R. 1855) – SUPPORT

The Brooklyn Chamber of Commerce urges federal legislators to incorporate the "Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act" into the reauthorization of WIA. The Act creates a separately funded program that is monitored by Congress to help businesses access programs to more effectively train their new and incumbent workforce. In order to achieve a long-term focus on helping to create and support lasting economic change, the Chamber suggests the incorporation of the SECTORS Act as a permanent part of any changes to WIA legislation.

Flexible Funding and Local Oversight – SUPPORT

While federal funding is the key support for workforce programs, localities generally are best suited to decide how funding should be allocated. The Brooklyn Chamber suggests Congress allow Workforce Investment Boards (WIBs) to merge Title I and Title II programs as necessary to support dual service programs such as Adult Basic Education (ABE), skills training, and English as a Second Language (ESL).

Encourage New Models for Serving Business; Training and Education for a 21st Century Workforce – SUPPORT

The most innovative and impactful programs that train and educate workers are those that allow the flexibility to work with businesses in real time, supporting their workforce needs. The Brooklyn Chamber of Commerce strongly supports flexible models of providing training and performance measures, which take into account industry growth, leave behind the notion of "sequenced services," and support flexible funding models that leverage WIA against other funding sources to show impactful, real-time solutions to education and training.

The Brooklyn Chamber of Commerce fully supports *Skills2Compete*, a campaign launched by the National Skills Coalition to ensure each person has access to at least two years of post-secondary education, training, or credentialed vocational skill instruction to ensure they meet the current and future needs of a 21st century workforce. The Brooklyn Chamber of Commerce, through its Good Help program, understands high school diplomas as a baseline credential are fast becoming obsolete. Basic (K-12) education is merely the beginning of a lifelong learning process, and Congress should ensure each measure taken at reauthorizing WIA aims to achieve the goal of helping every American access post secondary education. This goal requires changes to Title I and Title II programs under WIA.



On-the-Job Training (OJT) Programs – SUPPORT

The Brooklyn Chamber of Commerce asks Congress to look at the use of OJT as an adopted activity for businesses to continue to hire from disadvantaged labor pools, to help bridge the immediate gap between skills and labor demands. The challenges of creating the labor pool of tomorrow that will continue to keep the United States competitive in the global marketplace requires innovative use of business as the lead in training workers. OJT provides businesses with wage reimbursement to offset the cost of training a newly hired worker with a short-term skills gap (less than one year, generally six months).

The Brooklyn Chamber of Commerce strongly supports the use of labor funding to ensure businesses can focus on skills training, inform education, training and credentialing models, and provide subsidized On-the-Job training to help spur additional job creation.

3. ECONOMIC DEVELOPMENT

Expansion of HUBZones – SUPPORT

To help support local businesses, Brooklyn Chamber of Commerce urges Congress to consider the expansion of Historically Underutilized Business Zones (HUBZones) to areas without a census tract (i.e., areas with no residents). In many parts of Brooklyn, HUBZones are adjacent to neighborhoods with no residents. HUBZone designation would support job creation and economic development as well as protect already scarce industrial space. Further, the Brooklyn Chamber asks that protected industrial areas be included in the designation.

The Brooklyn Chamber of Commerce urges legislators to pursue and support the expansion of HUBZones to adjacent qualifying census tracts to support local businesses and job creation.

Real Estate Development

The recent designation of the Gowanus Canal as a federal superfund site, and the prospective designation of Newtown Creek as such, have raised a variety of questions and concerns about the ability to finance and insure projects in these areas. The future of affordable housing, and particularly industrial expansion at a time when industrial space continues to become scarcer, is of great concern.

The Chamber seeks the commitment of HUD, EPA, FHA and other relevant federal agencies to ensure regulations and policies regarding the financing and insuring of sites in proximity to federally designated Superfund areas are reviewed in the context of these large urban waterways. We additionally ask that these agencies make every effort to make themselves available to members of the impacted communities and ensure all policies are made readily available to communities, lending institutions and other stakeholders.

The Brooklyn Chamber urges federal representatives to work with communities and relevant agencies to ensure issues and opportunities for financing economic and community development projects in EPA designated sites are clear and, where appropriate, available.



4. ENERGY

Our nation must move now to create both a short-term and a long-term strategy to address our energy needs. We stand far behind other nations in developing and implementing cutting edge technology that would reduce our carbon footprint, create more eco-friendly practices and reduce dependence on foreign oil. Further, we believe it is imperative that our legislators make bold steps toward policy that invests in the future of advanced alternative energy technology, conservation, cost savings and job creation. The Brooklyn Chamber of Commerce has and will continue to work with energy providers and other stakeholders to educate business owners as well as make it easier and less expensive for local businesses and Brooklyn resident to adopt more eco-friendly, energy efficient practices. When the time arrives the Chamber is committed to assisting with education and ultimately implementation of new comprehensive policy as it relates to the business community.

Comprehensive Energy Policy – SUPPORT

New York State's aging energy infrastructure requires solid investment and our state, along with others across our nation, ultimately will lose more maintaining the current system than they would reap in benefits if the aging system were upgraded or replaced. As the Chamber considers the details of the American Power Act (APA), Members of the Chamber have made it clear they support legislation that advances the research, development and implementation of alternative energy resources and technology, creates permanent, jobs, promotes conservation and sustainability and saves consumers money.

The Brooklyn Chamber urges legislators to take bold steps to support legislation that advances research, resource development, conservation, implementation of new technology and related infrastructure, as well as more eco-friendly, efficient energy creation and consumption. Comprehensive policy will ensure savings to businesses, residents, will create much-needed jobs and move the United States toward energy independence.

Funding for Alternative Fuel Technologies and Infrastructure – SUPPORT

New York City is home to more than eight million people, 46% of whom own at least one vehicle. With this in mind, and the recognized need to reduce our carbon footprint and adopt more eco-friendly practices, the Brooklyn Chamber of Commerce urges federal legislators to fund programs that support the research and development of alternative fuel technologies for vehicles and the creation of adequate infrastructure.

The Brooklyn Chamber of Commerce urges legislators to support and pursue the creation of alternative fuel technology and infrastructure for surface transportation.

Increase LIHEAP Funding – SUPPORT

In this challenging economy Congress can help those most impacted by volatile energy prices by increasing the budget for such programs as the Low Income Home Energy Assistance Program (LIHEAP). The Chamber urges the Brooklyn Delegation to lobby for increased spending in this targeted program up to its full authorization level.

The Brooklyn Chamber of Commerce urges legislators to adequately fund this program that ultimately protects our most vulnerable citizens.



5. IMMIGRATION

Immigration Reform – SUPPORT

The Brooklyn Chamber of Commerce understands the value immigrants have played and continue to play in building our borough and national economy. Far from being just an accessible labor pool, immigrants have proved to be entrepreneurial sparkplugs in helping urban centers grow including starting new businesses that, in turn, employ thousands of people. As our nation's legislators and policy makers tackle immigration reform, the Chamber joins other business organizations in welcoming this opportunity to finally harmonize the conflicting State and Federal laws regarding employment eligibility. The Chamber supports the goals of HR 4321 – Comprehensive Immigration Reform for America's Security and Prosperity Act introduced by Representative Luis Gutierrez (D-IL) and co-sponsored by five out of our borough's six Congressional representatives.

In addition to creating reform that will increase our nation's security and provide an earned pathway to legalization for undocumented workers already contributing to our economy – provided they are law-abiding and prepared to embrace the obligations and values of our society – we urge that any reform:

- Refrain from unduly burdening employers with worker verification systems that are underfunded or unworkable
- Addresses delays, backlogs, and disruptions in our immigration and border management systems that impede the movement of legitimate cargo and travelers across U.S. borders
- Includes the continuity and expansion of H-1B, L-1, and EB visas for professionals and highly valued workers

For the first time in U.S. history the number of illegal immigrants (11.9 million in 2008) has surpassed the number of legal immigrants. Any reform must acknowledge this fact using it to the advantage of our nation and the immigrant community that makes unquantifiable contributions. Reform must respect individuals, should not be an undue burden to employers and proper resources must be allocated to enforce any new policies.