



## January 2011

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### **Save the Date for the Washington Fly-In and Congressional Dinner**

Save the date for the State Chamber/AIA's Annual Washington Fly-In and Congressional Dinner. This event will be held earlier than usual – on Wednesday and Thursday, March 9-10, 2011 – due to the new Congressional calendar. We are headquartered at the Crystal Gateway Marriott again this year.

This promises to be an interesting and productive trip following the changes in the makeup of the Arkansas Delegation. You'll have the opportunity to meet and talk to our delegates and their staffs at individual events as well as at the Reception and Dinner.

The Reception and Dinner will be held on Thursday evening, March 10. Additional information including individual district events is included on the registration/sponsorship opportunity form. Click [here](#) to access the form.

For further information, contact Deb Mathis at [dmathis@arkansasstatechamber.com](mailto:dmathis@arkansasstatechamber.com) or 501-210-4212.

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### **Arkansas's New Congressmen Receive Committee, Leadership Assignments**

The 112th Congress began last week and for the first time in more than 100 years Arkansas has a majority Republican delegation in Washington D.C. We also have three first-term legislators in the U.S. House of Representatives: First District Congressman Rick Crawford, Second District Congressman Tim Griffin and Third District Congressman Steve Womack. Despite being new to Congress, Griffin and Womack were both asked to join the Republican "whip" leadership team charged with shepherding legislation through the House. This is the first time two of Arkansas's four Representatives have served in such a capacity.

In addition to the whip role, Griffin will serve on the House Armed Services Committee and the Judiciary Committee. Crawford's committee assignments include seats on the House Agriculture Committee and the Transportation and Infrastructure Committee. And as we reported last month, Womack earned a seat on the powerful U.S. House Appropriations Committee.

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## **NLRB Issues Proposed Rule on Posting Requirement**

On December 20<sup>th</sup>, the National Labor Relations Board (NLRB) released a new notice of proposed rulemaking (NPRM) that would require employers to post a notice to employees of their rights to unionize under the National Labor Relations Act. This notice must be posted like other required employee rights posters (like the FMLA, Fair Labor Standard Act, etc.), but also posted electronically (either on the web or via e-mail) if employers customarily communicate with employees through electronic communications.

Under the NPRM, employers would face various sanctions for failing to post the notice, including (1) being charged with unfair labor practice; (2) having the time limits for filing of other unfair labor practice charges against the employer extended; and (3) having the Board consider the failure to post the notice as evidence of unlawful motive in other unfair labor practice cases. The [NPRM](#) and the [NLRB's fact sheet](#) are available on the Board's website and will be published in the December 21 Federal Register. President Obama issued an Executive Order in 2009 that required government contractors display such a poster. NLRB will use the same language as in the DOL poster, a copy of which is available [here](#).

Board Member Brian Hayes (R) filed a dissent to the rulemaking, asserting that "the Board lacks the statutory authority to promulgate or enforce" the NPRM. The Board will take comments on the NPRM for 60 days.

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## **EPA Plans to Clamp down on Greenhouse Emissions**

The [AP](#) reported, "In a statement posted on its website [in late December], the Environmental Protection Agency announced it is moving unilaterally to clamp down on power plant and oil refinery greenhouse emissions, announcing plans for developing new standards over the next year. EPA administrator Lisa Jackson said the aim was to better cope with pollution contributing to climate change." Jackson added that "emissions from power plants and oil refineries constitute about 40 percent of the greenhouse gas pollution in this country."

The [Houston Chronicle](#) reported on the EPA's declaration effectively deeming "Texas unfit to regulate its own greenhouse gas emissions" and takeover of "carbon dioxide permitting of any new or expanding industrial facilities starting January 2. The EPA also set up a framework for regulating greenhouse gas emissions in seven other states: Arizona, Arkansas, Florida, Idaho, Kansas, Oregon and Wyoming. In addition, the agency set a timetable on establishing regulated levels of greenhouse gas emissions. The action will give the EPA permitting authority over refineries, power plants and cement facilities in Texas, the agency said, but will not affect small pollution source facilities, such as restaurants and farms."

Meanwhile, Carter Wood wrote in the Manufacturer's [Shopfloor](#) blog, "In an interview [in late December] on the Hugh Hewitt Show, Rep. Fred Upton (R-MI), the incoming chairman of the House Energy and Commerce Committee, detailed the committee's plans for action and oversight in the first few months of the 112th Congress," saying that "the Environmental Protection Agency's aggressive agenda of regulatory excess will be a major area of attention."

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## **Obama May Propose Corporate Tax Reform in State of the Union Address**

Reporting on the potential for a corporate tax cut backed by the President, CNBC's John Harwood said the Administration is "beginning a process to try to see whether they can...reform the corporate tax code to enhance growth, to make it more efficient, to lower the rate, while broadening the base. The Administration would not call it a 'tax cut.' They would call it 'tax reform,' because they aim to raise the same amount of revenue as the current system. And of course that creates a lot of problems because for every winner from a lower rate, you have a loser through the loss of deductions." Harwood added, "The reason Treasury is doing this is because President Obama is interested in it. I would be surprised if you didn't hear it mentioned in the State of The Union address."

Larry Kudlow, on CNBC's The Kudlow Report, commented, "At 35 percent federal and roughly 5 percent local, we have the highest corporate tax rate among all the big countries. And our neighbor to the north, Canada, is in the process of lowering their rate to 15 percent. That's less than half of ours. So we need to look seriously at slashing this corporate tax rate. I say down to 15 percent or 20 percent ... We should be the world's leader, not the world's follower."

The [New York Times](#) "The Caucus" blog reported Friday, "about 15 business executives are to join Treasury officials in the conference room of Secretary Timothy Geithner." The group of executives "will begin a ground-level discussion of overhauling corporate taxation. The administration has three conditions: that a revamped system enhance efficiency and economic growth, that it increase investment in the United States and, most consequentially, that it bring as much money as the old system." The Times portrayed Wall Street firms as embodying "the political challenge of a corporate tax overhaul," as they "would be among the biggest beneficiaries of a rewrite that curbs deductions and lowers rates." Manufacturers, meanwhile, "would suffer, and have vowed to fight changes that harm them." The Manufacturers' Vice President of Tax Policy Dorothy Coleman said, "We'd be opposed to a system where the base is broadened on the backs of manufacturers... That's a deal breaker."

In an interview with [CNBC's Street Signs](#), Coleman discussed corporate tax reform, saying the Manufacturers were "very pleased to see that the Administration and Congress is interested in tax

reform." Coleman said, "Earlier this year, we issued our manufacturing strategy for jobs and competitiveness, and one of the pillars of that was changes in tax policy. The three things that we suggested were reducing the corporate tax rate by at least 10 percentage points, creating a permanent, strengthened R&D tax credit, and creating fair international tax rules. Those are things that we would like to see come out of the tax reform debate."

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## **Consumer Groups, Companies at Odds over New CPSC Database**

[American Public Media's Marketplace](#) program reported on the Consumer Product Safety Commission's plans "to make public the thousands of complaints it receives every year about defective products." While some "consumer groups say that will help warn customers about everything from dangerous baby cribs to toxic drywall," the industry has some reservations. "Rosario Palmieri at the National Association of Manufacturers says there are no safeguards to make sure the complaints aren't made by competitors or even trial lawyers looking for business." Palmieri, vice president for infrastructure, legal and regulatory policy for the Manufacturers, said, "We fear that some with political or financial motives might use this database as an opportunity to falsely malign particular products, companies or brands." Marketplace noted, "The CPSC says companies will be protected from false accusations or the disclosure of business secrets. And manufacturers' responses will be listed alongside each complaint."

[WTTG-TV](#) Washington, DC reported Saferproducts.gov, a "searchable database" of consumer complaints is scheduled to come online next month. "Consumer advocates say it's a huge step forward -- but businesses and manufacturers are concerned the whole process will move too fast to be fair." The Manufacturers "says CPSC's approach is 'publish first, fix later' and doesn't guarantee businesses that if the consumer complaints are materially inaccurate, they won't be posted." Palmieri "suggests counterfeit products as an example, and says a 10-day response time isn't long enough to thoroughly determine what might have happened with an item. 'We're not going to have the product. Maybe we won't even have a picture, just a description... we don't want consumers to use this [database] if it's going to be filled with bad information.'"

[Reuters](#) noted that the Manufacturers have also voiced concerns about the database's potential to expose trade secrets.

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## **Kirk Says U.S.-Mexico Trucking Agreement Could Come Within Six Months**

The [Wall Street Journal](#) reported that U.S. Trade Representative Ron Kirk, speaking at a NAFTA meeting Monday, said that the U.S. and Mexico should have an agreement in place regarding long-haul trucking within six months. Such a settlement would require action by Congress.

[KPBS-TV](#) San Diego, CA reported, "Two years after Congress canceled the Bush Administration's Mexican truck cross-border program, the Department of Transportation has announced that it will reinstate it. This means a limited, but growing number of Mexican trucks will have access to the US market, in competition with American cargo truckers." In response, San Diego AFL-CIO CEO Lorena Gonzalez said, "Mexican trucks simply don't have the same standards that U.S. trucks

have."

Meanwhile, the [AP](#) reported, "Mexico will maintain punitive tariffs on 99 U.S. products, but will not add any more goods or change the list pending negotiations over a new program to allow Mexican cargo trucks on U.S. roads, the government announced Monday. Economy Secretary Bruno Ferrari said the move is a show of goodwill as the two countries begin discussing an initiative the U.S. presented last week to lift a U.S. ban on Mexican trucks. 'As of this moment, we stop that rotating process' - the expansion of the taxed list and the periodic changing of goods subject to the punitive tariffs, Ferrari said after a meeting with U.S. Trade Representative Ron Kirk."

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## **U.S.-South Korea Agreement Could Boost Chances for Other Pending FTAs**

Under the headline "U.S.-Seoul Trade Deal Can Boost Colombia Pact," the [Wall Street Journal](#) reported that, according to Arturo Valenzuela, the State Department's assistant secretary for Western Hemisphere affairs, the revised agreement with South Korea "may create an opportunity to work through outstanding issues to move forward our other two pending free trade agreements (FTAs) with Colombia and Panama." While work is ongoing on these pacts, officials say they should be ready before the end of the year.

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## **Obama Signs Food-Safety Bill into Law**

[USA Today](#) reported that although "President Obama signed into law [last] Tuesday legislation that represents the first major overhaul of the nation's food-safety infrastructure since 1938 ... the presumed incoming Republican chairman of the agriculture subcommittee says he may not fund it." Rep. Jack Kingston (R-GA), "in line to become chairman of the agriculture appropriations subcommittee that would fund the measure, said he isn't sure the new act -- and its \$1.4 billion price tag over five years -- is necessary." Notably, "much of the food industry had supported the new rules, saying they would 'raise the bar for the entire food industry' in the words of a statement signed by 20 organizations, including the Grocery Manufacturers Association and the National Restaurant Association."

Similarly, the [AP](#) anticipated "power struggles between the White House and a more Republican Congress" over the bill's price cost. Indeed, "some Republicans lawmakers, sensitive to the public's concerns about high levels of government spending and debt, say the \$1.4 billion, five-year price tag is too much and needs more scrutiny." But, "Republicans who want to withhold funding would appear to have little chance of succeeding," since the "bill passed Congress with broad bipartisan support last year on a 73-25 vote in the Senate and by 215-144 in the House."

The [Los Angeles Times](#) reported the bill "would give the FDA new power to demand recalls and require importers to certify the safety of what they're bringing into this country." The bill "would give the FDA, which is responsible for overseeing about 80 percent of the nation's food supply, the authority to require domestic food producers to draw up detailed plans to ensure the safety of their products."

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## **Obama Taps Daley as New White House Chief Of Staff**

NBC Nightly News' Savannah Guthrie reported, "In picking Bill Daley, the President has reached out to someone described as a tried and true Democratic centrist" with "strong ties ... to the business community." NBC also said that "this is something that was so closely held by the President, even very senior advisers didn't know how seriously Daley was being considered for the chief of staff job until very late in the process."

The CBS Evening News' Katie Couric briefly mentioned the story, describing Daley as "a Washington veteran" who "was Commerce Secretary in the Clinton Administration and is now an executive with JP Morgan Chase."

The [AP](#) reported "Daley is solidly positioned to help President Barack Obama navigate the troubled waters of divided government and prepare for the 2012 presidential race." In reporting that "business groups welcomed the appointment," the AP quoted Manufacturers Executive Vice President Jay Timmons, who called Daley "a very accomplished and strong business leader." Timmons said, "The NAM had a strong relationship with him during his days as secretary of commerce, and we look forward to working with him again on policies that will move our country forward - especially on job creation, economic growth and global competitiveness."

[The Washington Times](#) reported the "previously icy relations" between the U.S. Chamber of Commerce and the President "may be thawing." "Bill Daley is a man of stature and extraordinary experience in government, business, trade negotiations and global affairs," said Thomas J. Donohue, president of the U.S. Chamber of Commerce. "He's an accomplished manager and strong leader. We look forward to working with him to accelerate our recovery, grow the economy, create jobs and tackle America's global challenges."

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