February 2017

Register Now for Washington Fly-In and Congressional Dinner March 15

Arkansas leaders in business, non-profit, post-secondary education and the public sector are invited to join us for the **58th Annual Washington Fly-In and Congressional Dinner** presented by Stephens Inc., which will take place March 15 in Washington, D.C.

One of our signature events, the annual Washington Fly-In provides a unique opportunity for Arkansas's private and public sector leaders to meet with members of our Congressional delegation, their staffs and other Congressional members in addition to meeting with other business and community leaders.

We have a full day planned on March 15 beginning with a breakfast briefing at the U.S. Chamber office at 1615 H Street NW, scheduled group meetings throughout the day on Capitol Hill with all six members of the Arkansas congressional delegation, and ending with dinner at Hill Country BBQ in the District.

The evening event is set for 6:30 p.m., affording the opportunity for more "face time" with the Congressional delegates and their staffs in a fun and relaxed atmosphere. Each of the members of the Arkansas delegation will make remarks.

Register now.

Click here for a registration form that also includes specific benefits of sponsorship.

Why attend?

Your knowledge and expertise about your business and industry are invaluable in educating those who set the nation's policies – Congress. There's no better way to participate early in key discussions and educate policymakers about your business than to do so in person. This is your opportunity to advocate for corporate tax reform, comprehensive immigration policies, etc. that will allow the private sector to grow business and create jobs.

Please join us in Washington, D.C., March 15, and *make a difference*.

Hotel Accommodations

There will not be a host hotel for this year's Fly-In as there are no scheduled activities at a specific hotel. **Please make your own hotel reservations** based on your preferences, but we do offer the following suggestions:

- **The Hotel George**, 15 E Street N.W., Washington, D.C. 20001
- **Hilton Garden Inn Washington, D.C./U.S. Capitol**, 1225 First Street NE, Washington, District of Columbia, 20002
- **Hyatt Place Washington, D.C./U.S. Capitol,** 33 New York Avenue NE
  Washington, D.C., USA, 20002

We would also like to thank and recognize our other sponsors:

Dinner – **Nucor Arkansas** and **Southland Park Gaming and Racing**

Beverage – **AT&T Arkansas, Entergy Arkansas, Inc.** and **Nabholz Construction Services**

Gold – **Aerojet Rocketdyne Corporation, AEP Swepco, America's Car-Mart, Inc., Central Moloney Inc., International Paper Company, Southwest Power Pool, Inc.** and **Walmart Stores Inc.**

Silver- **Electric Cooperatives of Arkansas** and **Great Lakes Solutions / A Chemtura Business**

Interested in sponsoring this event?

If you'd like to help sponsor this signature event, please contact Bill Watson at 501-802-1740 or bwatson@arkansasstatechamber.com.

For more information on the Annual Washington Fly-In and Congressional Dinner, contact Holly Wilson at hwilson@arkansasstatechamber.com or 870-622-7162.

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U.S. Leads “Significant Increase” in Global Economic Confidence

CNBC reports that YPO’s quarterly Global Pulse Confidence Index released on Tuesday shows an indicator of U.S. economic confidence “reached 64.6 in the fourth quarter of 2016, its largest single-quarter gain in five years from 60.4 in the third quarter.” The “upbeat sentiment” among U.S. business leaders was in contrast “to a more cautious outlook in Asia,” where for “the first time since October 2015, Asian business leaders were less confident about the economic outlook than their global peers collectively, but they still expected to increase revenues, hiring and fixed investment,” according to the survey.

CEO and Chief Investment Officer at U.S. Global Investors Frank Holmes writes for CNBC on the YPO’s study, saying the surge in business sentiment shows that “spirits look strong among most CEOs as we head into 2017.” Holmes says that Trump’s “pledge to rein in the growth of federal regulations is undoubtedly one of the key reasons why business sentiment is surging in the United States right now.” He cites an OMB report showing that Americans “spent 9.78 billion hours complying with federal regulations” in 2015. He also points to a NAM study that shows companies in every industry in 2012 “paid an average $9,991 per employee per year.” He adds, “That means if you ran a business with 100 employees, you paid close to $1 million every year just to comply with federal laws and regulations. That’s $1 million you could have put toward new business growth and salaries instead.”

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President Trump Touts January Employment Gains

President Trump on Friday hailed the Labor Department’s announcement that U.S. employers added 227,000 jobs in January, though average hourly earnings increased by just 0.1 percent year on year and the unemployment rate rose slightly to 4.8 percent. While the network newscasts only devoted just over two minutes to the latest data, coverage was heavy in print and online. Reporting was generally positive toward the employment data and highlighted that while the report was the last of former President Obama’s term, Trump also deserves some credit for the gains.

The New York Times reports “employers added a healthy 227,000 workers to their payrolls in January,” but “despite a surge of local minimum-wage increases in states across the country, wage growth was meager.” While the jobless rate rose, it was “for good cause: More people were lured back into the work force.” In an article titled “Higher Jobless Rate Suggests Economy Has Room To Run,” the Wall Street Journal similarly reports the data was good news for both the Administration and Federal Reserve.

The Washington Post reports that while the President had previously “called the official unemployment rate published by the Department of Labor ‘one of the biggest hoaxes in American politics,’ ‘the biggest joke there is’ and ‘such a phony number,” Trump on Friday “cited the figure at a morning meeting with business leaders, saying it reflected a ‘great spirit in the country right now.’” The AP also says Trump “greeted news of a robust January jobs report Friday with his signature blend of gusto, self-promotion and promises of good times yet to come" and NBC Nightly News broadcast Trump asserting, "We're very happy about that. I think that it's going to continue big-league."

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Commerce Department: U.S. Factory Orders Up 1.3 Percent in December

The AP reported orders to use factories rose 1.3 percent in December, according to the Commerce Department, "closing out a second rough year for American manufacturers who have been battered by a strong dollar and a plunge in capital investment." Factory orders were down 1.4 percent for all of 2016 following a 6.3 percent decline in 2015. The AP says this marks the "first consecutive annual declines in 14 years, since orders fell 7 percent in 2001 and 1.2 percent in 2002." Economists are optimistic that 2017 "will be a rebound year for U.S factories," noting that the impact of the strong dollar "is being lessened somewhat by stronger economic growth in overseas markets."

Reuters reported the total shipments of manufactured goods rose 2.2 percent, "the largest increase since December 2010, after rising 0.3 percent in November." The Commerce Department "also said orders for non-defense capital goods excluding aircraft – seen as a measure of business confidence and spending plans – rose 0.7 percent in December instead of the 0.8 percent increase reported last month."

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Success of Infrastructure Plan Depends on Faster Permitting

In an analysis, Restoration Systems Co-founders John Preyer And George Howard write for the Washington Times saying that President Trump's infrastructure plan "must come with incentive-based changes to our permitting system." They highlight "significant barriers to implementing worthy projects that are built into the permitting system," adding that even high-profile economic development projects with compelling public purpose and need "are not exempt from these onerous permitting requirements." Further, they write that the success of a $1 trillion investment in new infrastructure "may well depend on who the regulatory chief is in every one of the 38 Army Corps districts across the United States."

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Manufacturing Industry Turning to Automation, Education Programs

Global Trade reported a 2016 annual survey from Alix Partners of North American and Western European manufacturing and distribution companies "found that 69 percent say they are considering nearshoring—up from 40 percent the year before." A key driver behind nearshoring is that "the labor-cost advantages of relocating to China have eroded." However, as companies bring manufacturing jobs back, they face labor shortages. The Manufacturing Institute says "the U.S. will have to fill 3.4 million manufacturing jobs by 2025 because of economic expansion and retiring baby boomers." To address these shortages, more than 60 percent of respondents said "they are building relationships with local education providers," while two-thirds of respondents said they plan to invest in "robotics and automation technologies alongside investments in production equipment and lines at existing facilities."

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Dakota Access Pipeline Easement Could Be Granted Today

The Washington Post reports that the Deputy Secretary of the U.S. Army could make a final permit decision on the Dakota Access Pipeline as soon as this afternoon. The Army Corps of Engineers told a Washington D.C. court that it had submitted its recommendation to the acting secretary Robert Speer on whether there needs to be a full environmental review before the pipeline can be granted a final permit allowing construction work to restart. Lawyers for Energy Transfer Partners said the pipeline would be fully operational about 90 days after construction begins.

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Skills Shortages Will Impede Trump's Plans for Job Growth

Bloomberg News reports President Trump's goal to create 25 million new jobs will be "working against a powerful headwind, because company leaders are already struggling to find Americans to fill manufacturing openings." Trump is inheriting a healthy job market. But while a survey of 400-plus global HR executives shows "that companies expect to hire extensively in the coming year to address anticipated growth," four-fifths of executives surveyed "said that a shortage of sufficiently skilled workers will affect their companies in the next 12 months." Bureau of Labor Statistics data highlight the problem: "324,000 manufacturing spots were open in November, up from 238,000 a year earlier."

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Congress Could Roll Back EPA's 2015 Ozone Standard

The Daily Caller reports that Congress has introduced legislation that would roll back the EPA's "regulations on ground-level ozone, taking aim at one of the agency's most expensive rules." The bill would delay the implementation of the EPA's 2015 ozone standard until 2025, "and would have the agency revisit the standard every 10 years, instead of five years." Manufacturers believe the benefits of the ozone standard could end up costing more than the $3.1 to $8 billion estimated by the EPA. The National Association of Manufacturers "found that setting an ozone standard of 65 parts per billion would cost $1.7 trillion dollars by 2040." NAM's report projects the ozone standard "to be one of the most expensive ever issued by the EPA."

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NAM Study Shows Manufacturers Face 297,696 Regulatory Restrictions

Talk Business and Politics reports on President Trump's campaign promise "to roll back regulations that affect small businesses," which he has followed up with an executive order to "remove two existing regulations for every new one instituted." The article cites the NAM's "recently conducted a study" showing that manufacturers "face 297,696 restrictions on their operations from federal regulations." NAM President and CEO Jay Timmons is quoted saying manufacturers "believe in smart regulations that keep our communities and workplaces safe, but too often, these rules go too far or are too complex. Manufacturers want to invest more and hire more in the United States, but too often the cost of doing business – and even just functioning on a daily basis – makes that difficult."

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Lawmakers Look for Ways To Pay for Trump's Infrastructure Plans

The Washington Post reports that while President Trump "campaigned on a promise of a $1 trillion investment infrastructure," the question of how to pay for repairs to the nation's roads, bridges, and transit systems continues to vex lawmakers as it has "since the existing source, the gas-tax-funded Highway Trust Fund, began to run below meeting the need." During a hearing of the House Transportation Committee last Wednesday, none of the assembled corporate chief executives "said they thought sufficient private money would surface to meet the need." While Rep. Peter A. DeFazio (D-OR) proposed raising "new revenue by indexing the 18.4 cent-per-gallon federal gas tax," Chairman Bill Shuster (R-PA) "has said he anticipates that a massive tax reform bill will be a necessary first step, and he hopes that will be finalized before this summer so infrastructure plans can move forward."

The Hill reports the House Transportation and Infrastructure Committee heard "input from key businesses and organized labor about a strategy to upgrade the country's ailing transportation system." Cargill CEO David W. MacLennan noted that "any infrastructure bill should make fixing existing structures a priority, rather than just focusing on 'shiny new objects' such as self-driving cars and high-speed rail," while FedEx's chairman and CEO, Frederick W. Smith, expressed support for "increases in user fees in order to provide a sustainable funding source for transportation projects throughout the country." Smith also "supports raising the gas and diesel tax."

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