



Montana Chamber of Commerce

Your business advocate since 1931

2013-2014 Legislative Interim Report

Most businesses are well aware of the work the Montana Chamber of Commerce does during each legislative session to push for ideas to make Montana an even better place to do business, fight bad bills that would hurt Montana's economy, and monitor the actions of the Legislature and the Governor. But our work extends far beyond the 90-day sessions that occur every two years. The Montana Chamber exists to represent your business throughout each and every year.

While the work of a legislative session is very important, there are a number of other significant dealings during the off-season called "the interim." Legislative committees meet to study and analyze issues, court cases with business implications move through the judiciary, public policy events and conferences gather key decision makers together to forge coalitions and highlight issues, state agencies hold hearings on proposed rules and regulations, and much more.

It is imperative that the private sector have eyes, ears, and a voice working in all of these areas, and the Montana Chamber is proud to serve that role as a leader in business advocacy.

In the last half of 2013 and throughout 2014, a variety of important business issues were debated in state government. Although cost-savings have occurred because of reforms in 2011, workers' compensation continues to be a major focus of policymakers. Our worker injury rate is third worst in the country and acts as a driver of higher premiums. Environmental issues relating to climate change and species protection continue to attract attention as the federal agencies exert themselves on state regulatory affairs. Perennial issues such as taxation, unemployment insurance, legal reform, transportation, and healthcare also consumed time and attention.

The Montana Chamber produces other reports that provide information on your state government, including a review of the Legislature's and the Governor's votes during each session and a biennial review of the cases coming out of the Montana Supreme Court and the Workers' Compensation Court.

Economic Affairs Interim Committee (EAIC)

Members:

Chair: Senator Bruce Tutvedt (Kalispell)

Vice Chair: Representative Ryan Lynch (Butte)

Senators: Elsie Arntzen (Billings), Dick Barrett (Missoula), Tom Facey (Missoula)

Representatives: Tom Berry (Roundup), Greg Hertz (Polson), Lea Whitford (Cut Bank)

General Duties: EAIC conducts interim studies and generally reviews issues related to economic development. It also monitors the programs and functions of the Departments of Agriculture, Commerce, Labor and Industry, and Livestock, as well as the Office of the State Auditor and Insurance Commissioner, the Governor's Office of Economic Development, the Montana State Fund, and the Division of Banking and Financial Institutions.

State Administered OSHA Enforcement – The LMAC recommended to the EAIC to adopt a "committee bill" – a draft bill that the EAIC officially recommends to the upcoming Legislature – that enables the Montana Department of Labor and Industry to move forward with the process of establishing a state-administered

Occupational Safety and Health Act (OSHA) enforcement division. Enabling merely starts the clock on what is a three-year process of state budgeting, plan approval from the federal government, securing congressional funding, and implementation. If the 2015 Legislature adopts the enabling legislation, full implementation wouldn't occur until 2018. While the Chamber expressed general support of the concept, we remain concerned about creating an extra layer of regulations if the state is to take on OSHA enforcement. Furthermore, some key policy questions have to be ironed out, including: 1) whether to bar the state from adopting regulations that exceed federal standards; 2) whether to establish a separate board that makes rules; and 3) whether to restrict the use of penalty revenue to fund the program. At this juncture, the EAIC declined to move forward with a committee bill. Nonetheless, it's very likely that the Labor-Management Advisory Council will recommend that Governor Bullock pursue the idea.

Montana State Fund Restructuring – Under the HJR 25 study resolution, the EAIC looked closely at the idea of moving the Montana State Fund (MSF) from oversight by the Legislature to regulation by the Montana Commissioner of Insurance, much like any private insurer in the state. Although the EAIC decided not to move forward with a committee bill, a bill draft request has been submitted by Sen. Bruce Tutvedt (Kalispell). The main stumbling block for a committee bill was concern over how to regulate a workers' compensation insurer whose license to do business in Montana cannot be revoked for noncompliance. Although the Montana Chamber has supported the general concept, we made it clear in our public comments that there are many important policy considerations that must be settled in any legislation. Chief among them are whether MSF will: remain an independent public corporation; remain the "guaranteed market"; pay Montana's insurance premium tax; maintain its exemption from federal taxation; maintain experience rating and class code exceptions; and remain insulated from being sued for punitive damages. Many of these policy considerations entail decisions that will affect the cost-savings associated with MSF's status as an independent public corporation with a guaranteed market. The Montana Chamber is monitoring this discussion closely and will take a position prior to the 2015 Legislature based on whether MSF restructuring will result in premium savings and better service for policyholders.

Revising Impairment Level for Vocational Rehabilitation Benefits – The LMAC recommended to the EAIC to adopt a committee bill to revise the impairment level at which an injured worker who has wage loss may obtain vocational rehabilitation benefits. Current law states that an injured worker is eligible for rehabilitation benefits if the worker has an impairment rating of 15% or greater. The LMAC recommendation, adopted as a committee bill by the EAIC, lowers the rating to 10%. According to the National Council on Compensation Insurance the change will not cause work comp premiums to increase. Both labor and business representatives on the LMAC supported the draft.

Subrogation – Subrogation allows an insurer to recover payments that it made to an insured who received a judgment against someone that was liable (the tortfeasor) for injuring the insured. Recent court decisions around the U.S., including in Montana, don't allow subrogation. In effect, this enriches the insured by allowing double recovery (from the tortfeasor and the insurer). Furthermore, lack of subrogation puts upward pressure on insurance premiums. Although the EAIC did move a committee bill forward, Senator Bruce Tutvedt (Kalispell) is planning to introduce legislation that will cap the amount of damages that the tortfeasor's insurer has to pay. The Montana Chamber supports such legislation because it increases the potential that more insurers will enter the Montana market thereby creating more competition while making premiums more affordable.

Education and Local Government Interim Committee (ELGIC)

Members:

Chair: Senator Tom Facey (Missoula)

Vice Chair: Representative Don Jones (Billings)

Senators: Dave Lewis (Helena), Frederick Moore (Miles City), Matt Rosendale (Glendive), Sharon Stewart-Peregoy (Crow Agency), Jonathan Windy Boy (Box Elder)
Representatives: Kris Hansen (Havre), Edith McClafferty (Butte), Jean Price (Great Falls), Dan Salomon (Ronan), Tom Woods (Bozeman)

General Duties: The ELGIC's statutory duties include review of proposed administrative rules and draft legislation, as well as completing any studies assigned to it. They also entail monitoring the operations of, and providing information to, the State Board of Education, the Board of Public Education, the Board of Regent of Higher Education, and the Office of Public Instruction. ELGIC also acts as a liaison to cities and counties.

Early Childhood Education – As part of its review of administrative rule changes, ELGIC discussed new preschool accreditation standards under review by the Board of Public Education. Much of the discussion centered on the potential impacts of state-funded preschool on current private providers. Several members also questioned whether requiring licensure of preschool teachers was an effective way of ensuring quality. The ELGIC approved a resolution opposing the preschool accreditation standards as proposed, on a 6-5 vote. Relatedly, the ELGIC also received an update from the Governor's Office on his proposal for universal, voluntary preschool for 4-year-olds. Although the governor's proposal is still taking shape, the program is expected to cost \$37 million over the next two-year budget period, with school districts receiving \$30,000 for every group of 10 children who enroll in the program. The state would provide funding for half-day programs, but school districts could choose to implement full-day programs as long as they can fund the additional costs. School districts will be able to partner with existing Head Start programs and local, private providers to implement preschool programs as long as the existing programs meet the new accreditation standards. The Governor's proposal emphasizes the need for preschool programs to be "high quality," with the new preschool program accreditation standards establishing the criteria that the programs must meet. Many private providers have expressed concern about meeting accreditation standards. The Montana Chamber will review the final proposal from Governor Bullock, expected in his budget released in November, and likely take a position before the 2015 Legislature convenes in January.

Energy and Telecommunications Interim Committee (ETIC)

Members:

Chair: Senator Cliff Larsen (Missoula)

Vice Chair: Representative Keith Regier (Kalispell)

Senators: Edward Buttrey (Great Falls), Robyn Driscoll (Billings), Alan Olson (Roundup)

Representatives: Mike Lang (Malta), Mary McNally (Billings), Tom Steenberg (Missoula)

General Duties: ETIC has broad oversight over a range of energy and telecommunication-related topics in Montana. The committee conducts interim studies as assigned by the Legislative Council or selected by members and reviews the administrative rules proposed by the Department of Public Service Regulation and the Public Service Commission.

Renewable Portfolio Standard Report – The Montana Renewable Portfolio Standard (RPS) requires electric utilities to procure a certain percentage (currently 10%, with an increase to 15% in 2015) of their electricity from renewable sources such as wind, solar, biomass, new hydroelectric, geothermal, etc. ETIC was tasked with an interim assignment to analyze Montana's RPS but decided not to pursue any legislation related to the RPS. Instead, ETIC released "Renewable Rewards and Risks: A Look at the Impacts of Montana Renewable Portfolio Standard," which recommended that the RPS should remain as is. The Montana Chamber will continue to monitor the effect that the RPS mandate has on the cost of electricity for consumers, in particular small businesses and manufacturers.

Implementation of EPA Carbon Emission Rules in Montana – The Environmental Protection Agency (EPA) proposed rules requiring states to reduce carbon dioxide emissions in the nationwide power sector by 30% below 2005 levels by 2030 – referred to as the Clean Power Plan. Each state has a separate reduction target with Montana’s at 21%. In light of discussions about the proposed rules, the ETIC requested that the 2015-2016 Environmental Quality Council (EQC) consider establishing a joint subcommittee to learn more about these proposed rules and to oversee their implementation. The EQC has oversight authority over the Montana Department of Environmental Quality, which would adopt rules to implement the EPA’s Clean Power Plan if adopted at the federal level. The subcommittee idea was endorsed by the EQC and Legislative Council. This will be an important mechanism to ensure that all stakeholders have an opportunity to participate in the adoption of clean air regulations in Montana, which could have a profound effect on electricity prices for households and businesses. The Montana Chamber will support funding for the joint subcommittee and participate in its deliberations next interim.

Environmental Quality Council (EQC)

Members:

Chair: Senator John Brenden (Scobey)

Vice Chair: Representative Bill McChesney (Miles City)

Senators: Jennifer Fielder (Thompson Falls), Bradley Hamlett (Cascade), Jim Keane (Butte), Rick Ripley (Wolf Creek), Gene Vuckovich (Anaconda)

Representatives: Jerry Bennett (Libby), Virginia Court (Billings), Ed Lieser (Whitefish), Jeffrey Welborn (Dillon), Kerry White (Bozeman)

Public: Scott Aspenlieder, Dexter Busby, Mary Fitzpatrick, Roy Morris

Governor’s Representative: Tim Baker

General Duties: The EQC gathers timely and authoritative information concerning the conditions and trends in the quality of the environment; develops and recommends to the governor and the legislature state policies to foster and promote the improvement of environmental quality to meet the conservation, social, economic, health, and other requirements and goals of the state; reviews and appraises the various programs and activities of the state agencies; and performs the administrative rule review, draft legislation reviews, program evaluations, and monitoring functions departments of environmental quality; fish, wildlife, and parks; and natural resources and conservation.

Federal Public Lands Transfer – One of the more controversial issues tackled during the interim was whether to have the state take over the ownership and management of federal public lands situated in Montana. Initiated by the SJ 15 study resolution, the EQC took up the issue and created a subcommittee. After numerous meetings and copious public comment, the EQC and legislative staff produced a report. At its September meeting, a majority of the EQC voted in favor of approving and sending the report to the Legislature. Before doing so, they eliminated the recommendation to transfer federal lands, added an amendment also identifying a lack of logging as a reason for poor federal land conditions, and added language stating that fuel loading on federal land has been a factor in fire danger along with climate change.

Implementation of EPA Carbon Emission Rules in Montana – See summary under ETIC.

Revenue and Transportation Interim Committee (RTIC)

Members:

Chair: Senator Christine Kaufmann (Helena)

Vice Chair: Representative Nancy Ballance (Hamilton)

Senators: Dick Barrett (Missoula), Greg Jergeson (Great Falls), Janna Taylor (Dayton), Fred Thomas (Stevensville), Art Wittich (Bozeman)

Representatives: Carlie Boland (Great Falls), Roy Hollandsworth (Brady), Chuck Hunter (Helena), Tom Jacobson (Great Falls), Mike Miller (Helmville)

General Duties: RTIC has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of revenue and the department of transportation and the entities attached to the departments for administrative purposes. RTIC must estimate by Dec. 1 prior to a legislative session the amount of revenue projected to be available for legislative appropriation. The RTIC's estimate, as introduced in the legislature, constitutes the legislature's current revenue estimate until amended or until final adoption of the estimate by both houses. Given its revenue estimating duties, the RTIC holds its last meeting in November.

Tax Appeal Process – The RTIC adopted a couple committee bills that would change the tax appeal process. The first committee bill would enact a couple changes. First, it would allow centrally assessed or industrial property owners to appeal a final valuation or classification decision of the Montana Department of Revenue (DOR) directly to the State Tax Appeal Board (STAB), while still allowing an appeal to the County Tax Appeal Board (CTAB). Additionally, the DOR is recommending that any review for industrial taxpayers would be *de novo*, i.e. the STAB would hear the appeal without reference to the legal conclusions or assumptions made by the County Tax Appeal Board (CTAB). RTIC won't take up this suggestion until its final meeting on Nov. 20. The second committee bill directs the DOR to provide a uniform dispute review procedure that allows taxpayers to request alternative dispute resolution methods, including mediation. Current statute merely requires the DOR to consider alternative dispute resolution methods. The Montana Chamber testified in favor of these appeal process changes.

Oversize Load Corridors – With the SJ 26 study resolution, RTIC considered a draft bill to direct the Montana Department of Transportation (MDT) to designate preferred highway routes for oversize vehicles. At its September meeting, the RTIC decided not to recommend it as a committee bill. Instead, RTIC requested a recommendation in its final report that the MDT protect existing routes from future construction that could obstruct the efficient movement of oversize loads. Issue stakeholders, including the motor carriers, contractors, and the Montana Chamber will pursue their own legislation to establish a statute that addresses critical issues surrounding the transport of oversize loads through Montana. The Montana Chamber testified to RTIC that legislation should: 1) direct MDT to identify and designate preferred state and federal roadways to serve as corridors; 2) require MDT to coordinate with local governments and businesses to identify and designate local roadways to ensure access to the state and federal roadways designated as corridors; 3) appropriate the funds necessary to upgrade designated corridors to accommodate oversize loads; 4) establish any permit fees commensurate with the cost of administration; and 5) clarify that local jurisdictions do not have the authority to impose a separate permit process and/or fee for oversize loads transported solely on state or federal roadways.

Revenue Estimating – The Montana Chamber of Commerce joined representatives of the BBER, Department of Labor and Industry, and MSU-Bozeman's Economics Department in presenting economic outlook data to the RTIC to assist with its revenue estimating responsibilities. The Chamber presented survey data from the Minneapolis Federal Reserve's annual Business Outlook Survey.

Labor Management Advisory Council (LMAC)

Members:

Chair: Lt. Gov. Angela McLean

Labor Representatives: Doug Buman, Laborers' International Union of North America; Chris Cavazos, Montana AFL-CIO; Don Judge, Injured Workers Resource Council; Jim Larson, Teamsters Local 190; Al Smith, Montana Trial Lawyers Association;

Employer Representatives: Bill Dahlgren, Sun Mountain Sports; Annette Hoffman, St. Vincent's Healthcare; Riley Johnson, National Federation of Independent Business; Robert Worthington, Montana Self-Insureds Association; Lance Zanto, Workers' Compensation Management Bureau;

Subcommittee members: Bob Olsen, Montana Hospital Association; Jean Branscum, Montana Medical Association; Kevin Braun, Montana State Fund; Bonnie Lyytinen-Hale, Rehabilitation Association of Montana; Jackie Lenmark, American Insurance Association

General Duties: LMAC was formed under agency order of Commissioner Pam Bucy of the Department of Labor and Industry. The purpose of the LMAC is to provide a structure for an organized discussion of workers' compensation public policy. It's composed of five representatives of employers, five representatives of workers, and a nonvoting subcommittee of five representatives of other stakeholder groups.

State Administered OSHA Enforcement – See summary under EAIC.

Revising Impairment Level for Vocational Rehabilitation Benefits – See summary under EAIC.

Increase Cap on Work Comp Assessment – The LMAC Funding Subcommittee discussed the current Employment Relations Division funding shortfall that is occurring due to decreasing claim costs in Montana. ERD is currently allowed to collect up to 3% of all indemnity and medical costs, less medical costs in excess of \$200,000 per claim, from work comp policyholders to fund the administration of the Workers' Compensation Act. The total amount available for assessment has decreased from a high of \$236,058,128 in FY 2011 to \$209,361,632 in FY 2015. This change has decreased ERD's annual funding from \$7,081,744 to \$6,280,849. The amount available for assessment is expected to continue to decline as the five year hard claim closure legislation passed in 2011 is set to take effect in 2016, further decreasing the level of funding available to ERD. During this same time frame, ERD's annual budget required to administer the statutory requirements and authorized safety functions in Montana has increased at the same rate of the Consumer Price Index. LMAC's recommendation is to separate safety funding from funding for the administration of the work comp program. Safety funding would be subject to legislative appropriations. General administration costs would be a mixture of legislative appropriations and revenue from the work comp assessment. The LMAC is recommending increasing the assessment cap of up to 3% to up to 5% on all wage loss and medical benefits paid in the previous year. Business interests on the LMAC supported the recommendation based on the rationale that we need to adequately fund the ERD's implementation of cost-saving measures passed in the HB 334 reforms from the 2011 Legislature.

Assignment of Temporary Workers' Compensation Court Judge – The LMAC recommended to EAIC to adopt a committee bill authorizing the Montana Supreme Court Chief Justice to assign a temporary Workers' Compensation Court judge in the event there is a vacancy on that court. The temporary judge will serve while the Judicial Nominating Commission fields candidates to recommend to the governor for his or her appointment. The Workers' Compensation Court judge is subsequently confirmed by the Montana Senate when it's in session. The EAIC adopted a committee bill.

Greater Sage-Grouse Habitat Conservation Advisory Council (SGAC)

Members:

Co-Chairs: Jeff Hagener, Montana FWP Director; Tim Baker, Governor Bullock's Natural Resources Policy Advisor
Legislative Representatives: Representatives Pat Connell, Bill McChesney, and Ray Shaw
Citizen Representatives: Paul Callahan, Janet Ellis, Gary Forrester, Jay Gore, Robert Lee, Glenn Marx, Carl Wambolt

General Duties: Governor Bullock established by Executive Order the Greater Sage-grouse Habitat Conservation Advisory Council on February 2, 2013. The purpose of the Council was to "gather information, furnish advice, and provide to the Governor recommendations on policies and actions for a state-wide strategy to preclude the need to list the Greater Sage-grouse under the ESA, by no later than January 31, 2014."

Summary of Action – The Greater Sage-Grouse has been the subject of significant discussion, litigation, collaboration and debate in the 11 western states that form its range. Montana has managed and regulated sage-grouse for well over a century, but habitat loss and sage-grouse population declines in Montana and throughout the birds’ range have prompted federal Endangered Species Act (ESA) petitions and litigation that seek to add the sage-grouse to the Endangered Species List. These legal and procedural processes continue to move forward, and as they do they threaten Montana’s ability to manage sage-grouse on its own terms. Immediately after the 2013 Legislature, Governor Bullock commissioned the Greater Sage-Grouse Habitat Conservation Advisory Council (SGAC) to develop and recommend a plan to the Governor by January 2014. The Montana Chamber supported the creation of the SGAC so that Montana could develop our own plan that prevents a listing of the sage-grouse while also balancing species protection with development of our natural resources. More specifically, the Montana Chamber urged the SGAC and Governor Bullock to adopt two critical changes: 1) eliminate the three-year cessation of development activities if sage-grouse populations fall – regardless of the cause and through no fault of human or development activity. Drought, disease, wildfire and other natural disasters are beyond human control; and 2) reduce the recommended buffer area around lek (mating) areas from one mile to 0.6 mile. This was already accepted by US Fish and Wildlife Service (USFWS) in Wyoming and we emphasized that there is no scientific data to justify a greater distance. While the development cessation provision remained in the final proposal, the buffer area was reduced to 0.6 mile. The final proposal will restrict natural resource development – particularly oil and gas drilling – in habitat areas of eastern Montana. The Montana Petroleum Association feels that they can operate under the plan’s restrictions based upon Wyoming’s experience, which adopted their habitat conservation plan in 2006. The USFWS has until September 2015 to consider listing the bird.

Key Federal Efforts

EPA Carbon Emission Rules – The EPA’s proposed carbon emission rules for existing power plants direct the states to achieve an overall 30% reduction by 2030. Each state has a different reduction target. By 2030, Montana would be directed to achieve 21% fewer emissions than the level in 2005. According to a study conducted by the U.S. Chamber of Commerce, the negative economic impact of the rules would be significant in Montana. We had an opinion editorial on the proposed rules run in several daily papers. In early October, the Montana Department of Environmental Quality (DEQ) released a white paper outlining several options for Montana to comply with the rules if adopted. We were availed of a study by Energy Ventures Analysis, which detailed how the rules would increase electricity prices in Montana by 26% by 2020. We put out a press release highlighting the study’s conclusions while also urging Governor Bullock to oppose the EPA rules because of their potential impact on Montana.

Keystone XL Pipeline – The Montana Chamber has actively supported construction of the Keystone XL Pipeline since the inception of the project. After the U.S. Department of State released the fifth and final environmental impact statement (EIS) early this year, we provided public comment on the EIS and sent out a call to action to all local chambers encouraging them to do the same. The economic impacts of the pipeline are detailed in the Montana DEQ’s state-level EIS:

- **Job Creation:** The project will generate direct and indirect economic benefits for Montana. Construction of the project in Montana will occur in four construction spreads. Each spread will require six to nine months to complete, including mobilization and demobilization. The project will require construction of six pump stations in Montana, with each pump station anticipated to be constructed in 18 to 24 months. Keystone XL anticipates a maximum construction workforce of 500 to 600 personnel for each spread and 20 to 30 for each pump station.
- **Tax Revenue:** Once constructed, the project will generate long-term property tax revenues for the counties traversed by the pipeline that will last for the life of the project. The project will generate approximately \$63 million in annual property tax revenues in Montana, or about 151 percent of the property taxes collected in 2006 in the six counties crossed. The magnitude of the impact will vary from county to county. In some counties, property tax revenue collected will more than double as a result of the line.

EPA Waters of the U.S. Rule – The Montana Chamber has teamed up with the U.S. Chamber of Commerce as well as a Montana stakeholders group to oppose the EPA’s proposed rules changing the definition of “waters of the United States.” We have signed onto comments from the U.S. Chamber that are slated for submission to the EPA in November 2014. The letter states, “Under the draft rule’s definition of ‘waters of the United States,’ EPA’s Clean Water Act regulatory authority would be vastly expanded. Extending the Clean Water Act to so-called ‘ephemeral’ streams and other non-jurisdictional areas would impose strict new requirements on regulated entities across the country. Small businesses and small communities are likely to be among the hardest hit by the definition change.”

Tax Extenders – The Montana Chamber, and its subsidiary the Montana Manufacturing Council, joined the National Association of Manufacturers (NAM) signing onto a letter in October 2014 to encourage members of Congress to take legislative action to extend a mix of 50 temporary tax breaks –referred to as tax extenders – that expired at the end of 2013. If passed, the extension would go to the end of 2015 and amount to \$85 billion. The legislation is likely to be stalled in the U.S. Senate until after the November congressional elections. Failure to extend these tax provisions would inject instability and uncertainty into the economy and weaken confidence in the employment marketplace.

Terrorism Risk Insurance – We joined the U.S. Chamber of Commerce and more than 250 organizations in sending a letter to Congress urging reauthorization of the Terrorism Risk Insurance Act (TRIA). To date, the U.S. Senate has cleared its bill with a vote of 93-4 but House floor action is still pending. The delay in extending the program has resulted in increased risk and cost for employers across the country and failure to enact an extension will impose additional costs with respect to workers’ compensation insurance for businesses and negatively impact job creation.

Export-Import Bank Reauthorization – The Montana Chamber worked with Boeing to get Governor Bullock to sign onto a letter with 32 other governors urging leaders in the U.S. Congress to reauthorize the Export-Import Bank before its charter expired on Sept. 30. The letter stated, “Ex-Im allows our companies and workers to compete on a level playing field against our competitors, which receive extensive support from their own export credit agencies. Without Ex-Im financing, which assumes the credit and country risks that the private sector is unable or unwilling to accept, U.S. firms would have lost many sales campaigns to their overseas competitors. As the economies of our states continue to improve, it is especially important that we recognize the important role Ex-Im plays in supporting U.S. exports and jobs.” Since 2007, the Ex-Im Bank has provided \$6.3 million in loans to various Montana exporters. Congress passed a nine-month extension in September 2014.

Workforce Investment Opportunity Act – Per request of NAM, we signed on to a letter urging Congress to pass H.R. 803, the Workforce Innovation and Opportunity Act. The legislation eliminates duplicative programs, streamlines many of the burdensome requirements that drain the existing outdated workforce system, allows for increased incumbent worker training, and trains workers to jobs that are in-demand in a local area. Congress passed the bill in July and the President signed it on July 22.

Infrastructure – The Montana Chamber signed onto a letter in March 2014 with numerous other local and state Chambers to urge key leaders in Congress to dedicate funding to ensure the solvency of the Highway Trust Fund. In July 2014, Congress approved a short-term, \$11 billion fix for the fund. Additionally, we signed on to a press release alerting policymakers in Washington, DC, to a National Transportation Research Group report that the nation’s rural transportation system is badly in need of modernization.

Federal Minimum Wage Increase – We sent letters to Sens. Tester and Walsh in March 2014 urging them to oppose a proposal from the Obama Administration to increase the federal minimum wage of \$7.25 per hour to \$10.10 per hour. We pointed out that the minimum wage actually hurts the very people policymakers intend to help – unskilled or low-skilled workers. This is especially true of employers that rely heavily on unskilled labor. In

order to pencil out the artificial increase in labor costs, these employers will react by foregoing expansion, reducing hiring, cutting employee work hours, reducing benefits, and charging higher prices to consumers. Although not supported by the Montana Chamber, our state's minimum wage increases each year with the Consumer Price Index. The Montana minimum wage will increase to \$8.05 in January 2015, creeping ever closer to the Obama Administration's arbitrary proposal of \$10.10 an hour. Although Sens. Tester and Walsh voted for the increase, the legislation has not been considered by the U.S. House.

Key Projects

Legislative and Executive Voting Review – We released our biennial Legislative and Executive Voting Review soon after the 2013 Legislature adjourned in late April. Rep. Cary Smith (Billings) received our coveted Most Valuable Policymaker (MVP) Award for being the lead sponsor on two Montana Chamber priorities, carrying two priorities introduced in the Senate, and introducing other legislation that we strongly supported. A total of 13 Senators and 16 Representatives received our Champion of Business Award while 16 Senators and 48 Representatives garnered our Honorable Mention Award.

Power Base Voter Survey and District Report – We released in late 2013 our annual survey of 800 registered Montana voters to gauge their opinions on various business issues. We found that 55% of respondents felt that the state economy was on the right track. As for the national economy, 66% felt that it was on the wrong track. Voters still maintain very strong support for natural resource development and tend to trust the voice of the business community over that of environmental and labor groups.

Judicial Review – We released in August 2014 our biennial Judicial Review of 2012-2013 decisions of the Montana Supreme Court and the Montana Workers' Compensation Court. We covered 48 decision at the Supreme Court level, and 19 for the Workers' Compensation Court.

Key Events

Business and the Law Conference – We held our third biennial Business and the Law Conference in Billings in March 2014. We had state and national experts cover legal issues relating to the New Lawsuit Ecosystem in the U.S.; Subrogation and Montana Made Whole Doctrine; Legal Reforms from the 2013 Legislature; Potential Legal Reforms for the Tax Appeal Process; Sue and Settle: Using the Courts to Stop Development; and Trespass and Landowner Liability. We had 14 sponsors, which included the U.S. Chamber Institute for Legal Reform and the American Tort Reform Association.

Manufacturing and International Trade Day – The Montana Manufacturing Council spearheaded the 2014 Manufacturing and International Trade Day in May 2014 in Bozeman. Governor Bullock presented awards for Exporter and Manufacturer of the Year and U.S. Senator Jon Tester provided remarks. Additional hosts for the event include: Montana World Trade Center; Montana Department of Commerce; Montana Department of Agriculture; Montana Manufacturing Extension Center; Montana District Export Council; US Small Business Administration; US Department of Commerce; and Prospera Business Network.

U.S. Chamber Small Business Summit / NAM Manufacturing Summit – Montana Chamber staff was in the nation's capital the second week of June 2014 for back-to-back meetings of NAM and the U.S. Chamber of Commerce's America's Small Business Summit. After attending various issue briefings, we hit Capitol Hill to sit down with the Montana Congressional Delegation to visit about key national issues affecting manufacturers and the general business community.

Summer Economic Update Series - Our seven-city tour with the University of Montana Bureau of Business and Economic Research (BBER) for our 9th Annual Economic Update series reached over 500 Montanans with our

“Manufacturing a Greater Montana” theme. Glenn Oppel, Montana Chamber Government Relations Director, presented a review of both general business and manufacturer outlooks of the economy going into 2014. He utilized survey data from the Minneapolis Federal Reserve Bank, National Association of Manufacturer’s/Industry Week, and the BBER. Dr. Pat Barkey, Director of the BBER, presented “The Boom Begins to Slow: Updating the Outlook for the U.S. and Montana Economies,” which included localized economic indicator data on each of the communities we visited. Director Emeritus Dr. Paul Polzin emphasized the manufacturing theme with his presentation “Manufacturing and the New American Energy Revolution.” Dr. Polzin shows how cheaper and more abundant energy is fueling growth in the manufacturing sector of the state and national economies, one of the bright spots as the slow-growth trend continues in the overall economy.

Conclusion

The Montana Chamber of Commerce has remained very active during the legislative interim tracking important Interim Committee work, shaping key public policy before introduction in the next legislature, helping advance business priorities at the federal level, reaching out to the membership and the general public with key projects and events, and tackling the concerns of businesses small to large in the Treasure State.

We thank you, the members, for your investment in the Montana Chamber. Your participation allows us to represent your business in Helena. We look forward to continuing during the upcoming legislative session to work towards our goal of making Montana an even better place to do business.