

A weekly e-newsletter for members of The Association of Washington Business

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TOP STORIES

Business coalition calls for renewed negotiations on transportation package

AWB, the Washington Roundtable and chambers of commerce from around the state wrote a joint letter to legislative leaders and the governor Friday, urging a restart of negotiations on a much-need comprehensive transportation package. "We recognize the scope of the challenge currently before you, but want to underscore the magnitude of its impact on the state's economic recovery, job creation and overall competitiveness — both nationally and globally," the business leaders wrote. On Thursday, leaders of the Senate majority coalition <u>released</u> a revised \$12.4 billion transportation package (TVW <u>video</u>). The 12-year proposal, which still includes an 11.5 cent gas tax increase, continues the longstanding Senate priority for reforms (News Tribune/tiered paywall) along with revenue. A top reform, removing the state sales tax from construction projects, remains a major sticking point with the Democratically controlled House, but Senate Transportation Committee Co-Chair Sen. Curtis King said tax revenue from economic development spurred by better transportation will far outweigh the sales tax that would be collected from construction. The Senate majority has booked a room for negotiations this week, but a key Democratic leader said the two sides "are miles apart."

Keep Washington Competitive decries Ecology decision on second terminal

The state Department of Ecology will look at the global impacts of a proposed export terminal near Longview, mirroring a similarly broad environmental review it decided last year to conduct in studying a Whatcom County bulk export facility. Keep Washington Competitive, a new coalition of business, labor and agriculture, said these unprecedented reviews will hurt Washington's economy. The Longview Daily News said the decision substitutes "environmental grandstanding for the rigorous environmental controls already written in to the state's law books." While some observers say this massive, Wyoming-to-China review can't help but kill the projects, Ecology Director Maia Bellon told TVW that no decision has yet been made. Read more, and watch video of Bellon's comments, on Olympia Business Watch.

Doc Hastings to retire after two decades in Congress

Rep. Doc Hastings, the Pasco Republican who has represented a broad swath of central Washington in Congress for 20 years, announced Thursday that he will not run for reelection. He will be the third member of Washington's 10-person House delegation to leave in two years, after Jay Inslee in 2012 and Norm Dicks in 2013. Hastings chairs the House Committee on Natural Resources and is a vocal critic of the Endangered Species Act, The Seattle Times notes in an in-depth story (tiered paywall). Speculation on his replacement is running strong, with state Sen. Janéa Holmquist Newbry, former state Department of Agriculture director Dan Newhouse, Benton County Commissioner Jerome Delvin, state Sen. Curtis King, former NFL tight end Clint Didier and state Sen. Sharon Brown as potential candidates to watch.

Seattle tunnel drill needs major repairs; Bertha could be stuck until summer

The world's largest tunnel-boring drill needs major repairs that could take months and might require the contractor to dig a 115-foot-deep shaft along the Seattle waterfront, the Seattle Times reports (tiered paywall). The \$80 million machine, nicknamed Bertha, has grime in the seals protecting its mammoth central bearing. The contractor appears to be on the hook for any cost overruns related to the repairs, WSDOT says, although the contractor doesn't seem to fully agree. Solutions to a similar problem in Canada 20 years ago might prove instructive. So far WSDOT has paid Seattle Tunnel Partners \$832 million of their \$1.3 billion contract to dig the replacement for the Alaskan Way Viaduct. Bertha is only one-tenth finished digging the 1.7-mile highway tunnel.

Edelman Survey: Businesses still far more trusted than elected officials

Even as overall public trust in business and government has declined, businesses are still far more trusted (by 58 percent of the public) than is government (37 percent). In fact, that gap is the widest in the history of the Edelman Trust Barometer, a key measure of global perspective. AWB joined the Seattle office of Edelman in the release of the 2014 survey last week. Small- and medium-sized businesses continue to be trusted at higher rates that big companies, the survey found. Nearly eight in ten survey respondents believe government should not be working alone when setting polices — another reminder of why your voice through AWB is crucial in Olympia.

PRIORITY LEGISLATION

Strict new workplace mandates pass the House

A set of heavy new employer mandates passed the House last week but face a skeptical Senate. House bills 2331 (new reporting requirements for public contractors) 2332 (setting triple damages for wage violations), 2333 (preventing "retaliation" against employees), 2334 (limiting independent contractors) passed the House Thursday. AWB members have testified against these bills because of the major burden they place on job creators. Contact AWB Government Affairs Director Kris Tefft for more information.

R&D tax credits are worth the investment, Washington Research Council concludes

After crunching the numbers, the Washington Research Council <u>concludes</u> that two tax incentives created in 1994 to stimulate research and development are worth the modest cost and should be extended. Two bills that would extend these high-tech tax credits — <u>SB 6430</u> and <u>SB 6267</u> — passed the Senate Ways & Means committees last Tuesday and are still alive as the session enters its second and final month. AWB members testified in favor of the bills last month.

Statewide \$12 minimum wage doesn't appear to have enough support even among Democrats

Although raising the minimum wage is a major priority for Gov. Jay Inslee, President Barack Obama and Democratic leaders in the Legislature, the bill that would increase it to \$12 couldn't muster enough votes in the Democratically controlled House Appropriations Committee last week. "Weird," PubliCola pronounced. House Bill 2672 missed the fiscal cutoff and is technically dead, but could rise, zombie-like, if, as its sponsor suggested, it were declared necessarily to implement the budget. That's a whimsical, somewhat counterintuitive argument, Washington Research Council President Dick Davis said in the final moments of AWB's Friday Phone Briefing, since raising the minimum wage would hurt the budgets of governments as well as businesses.

OTHER NEWS

Democratic leaders to speak at AWB this Thursday to close out 2014 Lobby Lunch series

Top Democrats from the House and Senate will speak at this Thursday's Lobby Lunch. This will be the final Lobby Lunch of the year. RSVP by noon Tuesday to reserve a spot at Thursday's talk. Last week, guests included Rep. Joel Kretz, deputy minority leader; and Rep. JT Wilcox, minority floor leader. Olympia Business Watch breaks down their talk, including the odd tale of a wolf overpass. That talk — and the entire Lobby Lunch series — is archived online.

Dept. of Revenue offers free webinar about business taxes

The state Department of Revenue will offer a <u>free online class</u> for new and small business owners with information on when and how to file taxes in Washington. Participants in the March 12 class will learn about excise taxes, reporting classifications, deductions, sales tax collection and record-keeping requirements. To register for the hour-long online seminar, visit <u>www.dor.wa.gov/webinar/</u>.

Former Sen. Paull Shin honored in bipartisan ceremony

A bipartisan resolution last week honored Paull Shinn, the Edmonds Democrat who retired after 18 years in the Senate due to health problems and a diagnosis of Alzheimer's disease. A native of South Korea, Shin was adopted by a serviceman during the Korean War. He said he owes everything he has to his adopted homeland. "If it weren't for the help and love that I got from America — the United States of America — I would not be here today. In my opinion it's been payback time, folks. Thank you, America. Thank you my brothers and sisters, thank you, my friends."

Friday Phone Briefings continue as session enters its second half

As the 2014 legislative session enters its final month this week, you can peak behind the curtain and get the latest updates on how your business could be affected. Tap into the insights of our government affairs specialists during our Friday Phone Briefing. Register online then use that number to call in at 7:30 a.m. each Friday during the regular legislative session. Your registration code is good for all calls this session. Questions? Archives are online (requires member log-in). Contact J-Anne Nepomuceno if you need assistance registering for the call or accessing your membership on awb.org.

AWB EVENTS & RESOURCES

Nomination window extended: Tell us about best practices in environmental excellence

When AWB gives out the Environmental Excellence Award, the world notices. Two of <u>last year's winners</u>, for instance, were nominated for — and won — <u>national awards</u> thanks in part to the AWB recognition. There is still time to submit nominations for AWB's 22nd annual recognition of initiative in environmental protection. Nominations are due Feb.24: Send in your <u>nominations</u> today! Award categories include: Sustainable Communities & Green Building, Green Enterprise & Technology, Resource Conservation and/or Pollution Prevention, Leading Environmental Practices and Environmental Innovator. Awards will be presented May 13 at The Davenport Hotel in Spokane, in conjunction with the AWB Spring Meeting. For more information contact AWB's Karlee Keith.

Save the date: Spring Meeting in Spokane, May 13-14

Former Gov. Gary Locke will be our special guest at this year's Spring Meeting in Spokane. Locke, who went on to serve as U.S. Commerce Secretary and America's ambassador to China, will receive the C. David Gordon Award. This is an annual award given by AWB in recognition of distinguished service to the people of Washington. As always, we will also present awards to honor community service and environmental excellence. The theme of this year's Spring Meeting is "Balancing State Policy with Global Competition." The event will be held May 13-14 at the Davenport Hotel in Spokane. Learn more and register here.

Protect your business in the brave new world of social media

The National Labor Relations Board has been actively scrutinizing workplace policies and discipline involving social media. Don't be one of the many employers that are finding out the hard way that they aren't complying with recent case law. Our March 6 seminar, DOs and DON'Ts for Employer Social Media Policies and Discipline Issues, will answer questions you hadn't even thought to ask. Selena Smith, a labor and employment attorney with Davis Grimm Payne & Marra, will conduct the seminar from 9:30-11 a.m. in Seattle. Register and learn more here.

Prepare your business for disaster at our March 26 seminar

How should business owners identify potential crises and assess their potential impact on a company? Is there any help out there to get ready for earthquakes or mass fires? What is the federal government going to do? How about the state? Learn how to ready your business for a power outage, severe storm, wildfire, earthquake or flood at a one-day class held March 26 by Eisenhower Carlson PLLC in Tacoma. Details and registration are available online.

THEY SAID IT

"We need to get back in that room. The governor's going to have to show a lot of leadership." ~ Senate Majority Coalition Leader Rodney Tom, D-Medina, about <u>stalled negotiations</u> on a comprehensive transportation package. Legislative transportation leaders have not met with Gov. Inslee since the beginning of the year.

FROM THE PRESIDENT: It's time to get to work on jobs

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