



Greater Kansas City Chamber of Commerce 2016 Federal Public Policy Agenda

As of February 22, 2016

THE KC CHAMBER SUPPORTS JOBS & ECONOMIC DEVELOPMENT

The KC Chamber calls on Congress to enact public policy that maintains a competitive climate for economic development and encourages job creation in the two-state greater Kansas City region. This includes support for improved fiscal responsibility, responsible tax reform, improved infrastructure, and measures to stimulate business growth and access to a well-trained world class workforce. Further, the KC Chamber encourages Congress to advocate for strategic policies that support key areas in which our region excels such as biosciences, energy, engineering, manufacturing, and startup businesses.

FISCAL RESPONSIBILITY

While The KC Chamber opposes inflexible limitations on taxes and government spending, it does believe over time, a balanced federal budget and a reduced national debt are vital to the health of our national economy today and for future generations.

Tax Reform

The KC Chamber supports efforts to improve the climate for businesses of all sizes by reducing the corporate tax burden and reforming and simplifying the tax code, including measures to incent business startups, and increase investment in U.S. companies including:

- Policies to encourage repatriation of profits of foreign subsidiaries and reduce incentives for corporate inversions.
- Elimination of the capitalization of startup costs.
- A solution to inconsistent personal income tax treatment of temporary nonresident employees in the mobile workforce.
- Measures to protect taxpayers and reduce tax fraud including enacting national minimum competency standards for paid tax preparers.
- Preservation of tax incentives for appropriate charitable giving (including permanent exclusion of distributions from individual retirement accounts to charities and reduction of the private foundation excise tax).
- Support for the Marketplace Fairness Act. The KC Chamber applauded the US Senate's bipartisan passage in the last Congress of the Marketplace Fairness Act, which provided fairness and parity to small businesses by allowing states to collect sales taxes from remote sales to state residents. It strongly encourages the Senate to repeat its action promptly, and urges the US House of Representatives to give the Act equal support.
- Maintaining the tax-exempt status for municipal bonds, a critical tool for financing infrastructure and capital improvement projects.

Social Security

The KC Chamber supports measures to improve long-term solvency of the Social Security System including modifying the method of indexing benefits to more closely mirror real changes in the cost of living. The Chamber opposes exclusive reliance on increased taxes to reduce long-range deficits in the Social Security Trust Fund.

Financial Services

The KC Chamber believes support for small business and improved entrepreneurial access to capital are vital measures to enhance the financial services industry in the Kansas City region.

- The Chamber supports measures that recognize the diversity of financial institutions and distinguish between investment, regional, and community banks.

- The Chamber supports financial policy and regulatory measures to improve the delivery of financial services to businesses and consumers, including reconsidering elements of legislation such as Dodd-Frank, which has imposed costly burdens on many businesses and has limited financial options and stifled innovation.
- The Chamber opposes any legislative action that transfers bank and Federal Reserve Bank resources to pay for unrelated federal programs.
- The Chamber supports measures to improve the delivery of financial services to the “un-banked” and “under-banked”.

ECONOMIC DEVELOPMENT AND JOB CREATION

Small, Diverse and Startup Business Support and Regulatory Relief

The KC Chamber believes support for small, diverse, and emerging business is vital to job creation and the competitiveness of the region. The Chamber supports initiatives to enhance the climate for small, diverse, and startup businesses, including:

- The Startup Act and other measures to create jobs by stimulating entrepreneurship,
- Commercialization of university research,
- Streamlined regulatory processes,
- Immigration reform that allows highly-educated and entrepreneurial immigrants to stay in the United States,
- Measures to reduce frivolous lawsuits for patent infringement, and
- The Small Business Administration’s Startup in a Day initiative.

International Trade

Foreign markets represent 80 percent of the world’s purchasing power, 92 percent of its economic growth, and 95 percent of its consumers. The KC Chamber supports measures to foster robust international trade so that greater Kansas City companies of all sizes can expand exportation of goods and services and create jobs in our region. The Chamber supports pro-trade policy initiatives, trade agreements and investment policies to enhance the region’s position as a transportation and logistics hub, including:

- Returning the US Export-Import Bank to full strength by prompt US Senate confirmation of nominees for the U.S. Export-Import Bank board of directors.
- Renewal of the President’s authority to negotiate new trade deals in close consultation with Congress, known as Trade Promotion Authority.
- Negotiation of additional bilateral investment treaties with major global markets.
- Funding for the State Trade and Export Promotion (STEP) grant program at \$20 million.
- Renewal of the Generalized System of Preferences and the Africa Growth and Opportunity Act.
- Continued funding for KC SmartPort and the Trade Data Exchange
- Modernization of U.S. export controls to enhance national security and competitiveness.

Research & Development & Biosciences

Research and development at universities and federally funded laboratories provides significant economic impact in the greater Kansas City region and supports cures, innovation and job creation. Nearly 60 percent of funding for basic scientific research in the United States is provided by the federal government. Innovations that flow from university-based research are at the root of the success of countless companies, products, technologies, and jobs in Kansas City. Research and commercialization of research are key forces behind life science advancements which lead to increased high-value jobs in the region. The KC Chamber urges Congress to support this regional opportunity and engage its resources to advance research and development and the bioscience industry in the two-state region with support for the following measures.

- **Federal Research Funding:** Preserve a peer-review grant process and sustain funding for federal research agencies that are critical to high value job growth in our region, including the National Institutes of Health, National Science Foundation, U.S. Department of Agriculture, U.S. Department of Defense, and agencies that provide funding for bioscience research, development, commercialization, and encourage research consortia.
- **NBAF Funding:** Sufficient funding to keep the National Bio- and Agro-Defense Facility (NBAF) on track for completion in 2020. The placement of NBAF at K-State highlights the region's leadership in animal disease research and commercialization.
- **KU Cancer Center & NCI Designation:** The promotion and funding of the University of Kansas Medical Center's Comprehensive Cancer Initiative and efforts to obtain its National Cancer Institute Comprehensive designation and help the region build a world-class cancer center at the forefront of discovery, development, and implementation of knowledge, technology, and novel therapeutic agents for treatment and prevention of cancer.
- **KC Animal Health Corridor:** Legislation and appropriate funding to advance and promote the Kansas City Animal Health Corridor from Columbia, MO, to Manhattan, KS.
- **One Health Funding:** Legislation to fund One Health research which recognizes the inextricable linkage between human and animal health and seeks to promote and improve the health of all species by enhancing collaboration between physicians, veterinarians and related scientific and health professionals.
- **Key Industry Measures**
 - **Extension and Expansion of the Therapeutic Discovery Project.** In 2010, this competitive program brought nearly \$4 million and \$7.8 million to Kansas and Missouri companies, respectively.

Jobs, Security and Military Installations

Safe, secure, and responsive communities are an essential component to a prosperous business climate. The Chamber recognizes that area military bases are vital economic drivers for our bi-state region and advocates for policies and initiatives which bolster the region's security and job growth including:

- Viable measures and adequate funding to support growth and maintenance of military installations in the KC region including Fort Leavenworth.
- Continued funding for the Urban Areas Security Initiative (UASI) to preserve critical capabilities to protect against terrorism and other threats and hazards to the greater Kansas City region.
- Policies to facilitate implementation of the Cybersecurity Information Sharing Act of 2015 (CISA) including legal and regulatory protection for companies that conduct risk assessments and share information on vulnerabilities within the private sector and with appropriate government entities. As 85% of our nation's critical infrastructure is owned or operated by the private sector, it is vital to our economic and national security that business is actively involved in the formulation of cyber security policies.

Immigration Reform

The KC Chamber believes responsible immigration reform that serves mounting workforce needs is vital to job creation and expansion of the US economy and must be addressed at the national level. This includes:

- Effective guest worker programs and strategic expansion of H-1B visa issuance based on critical need in key industries.
- Efforts to provide clear guidelines on issuance of L-1 visas for workers employed by international companies headquartered in the United States.
- Efforts to attract and retain innovative and talented foreign entrepreneurs as reflected in the Startup Act.

INFRASTRUCTURE

Transportation

Safe and efficient surface transportation is vital to the personal welfare, economic health, and security of our nation and the Greater Kansas City region. The KC Chamber applauds the passage of a five-year federal transportation bill in the 2015 congressional session and urges continued innovative and sustainable funding measures. The KC Chamber supports:

- **Funding:** Sustainable and innovative investment solutions to fully fund the Highway Trust Fund through multiple appropriate revenue sources (including public-private partnerships, gas and alternate fuel tax increases, expanded tolling, user fees, price-managed lanes and networks, TIFIA program expansion or new local/regional tax or fee initiatives or powers) that protect and preserve our transportation system.
- **Delivery Tools:** Expanded use of innovative delivery tools, such as public/private partnerships (P3s), design-build, dynamic-design-bid-build delivery, construction manager/general contractor, to support new transportation capacity and reconstruct existing facilities in ways that more quickly and broadly boost the economies of the area and the nation.
- **TIGER Grants:** Continuation of the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program.
- **Transit:** Identification of and support for adequate funding for transit (including USDOT Small Starts and bus-rapid transit) as a means for communities to improve local and regional mobility, increase long-term economic development and attract and retain residents and businesses for which transit is a critical need or amenity.
- **Airport Facilities:** Gain access to a new, permanent funding mechanism for improving airport facilities, including exploring a market-based Passenger Facility Charge to better align funding for regional projects with local customers' needs.
- **Marine Highway Corridor:** Efforts that would increase funding for commercial navigation projects such as channel, ports and harbor infrastructure throughout the Marine Highway Corridor system, with emphasis on the M-70 route between Kansas City and Pittsburgh, PA, and on the M-29 connector to Sioux City, IA.
- **Multi-Modal:** Create and implement a long-term, strategic plan of federal policies and investments that strengthens regional and national multi-modal surface and maritime freight investments and corridors, resulting in broader, more cost-effective access to national and global markets.
- **Rail Service:** Continued efforts to reduce freight and passenger train bottlenecks throughout the nation including support for the national rail passenger network and operation of the Southwest Chief Amtrak route, the Missouri River Runner and the proposed Heartland Flyer.
- **Connected and Autonomous Vehicles:** Access expanded funding and expertise for planning, designing and building policy and infrastructure frameworks for coping with likely changes induced by the expanding use of Connected and Autonomous Vehicles.

Water, Wastewater & the Missouri & Kansas Rivers

Maintenance and repair of flood control systems on the Missouri and Kansas Rivers is essential to the economic vitality and public safety of our region. Additional funding is necessary to repair damaged infrastructure and provide ongoing maintenance and upgrades. The Chamber supports measures to assist local governments in making sustainable improvements to their flood risk management, water, and wastewater systems in order to meet long term demands of regional development and business growth, including:

- Continued funding of the Water Resources Development Act and full federal funding for the second and third phases of the Missouri River bed degradation feasibility study.
- Responsible approach to Missouri River management emphasizing flood control, navigation, and water supply.
- Water Infrastructure Finance and Innovation Act to leverage funding for drinking water, wastewater and stormwater infrastructure.

Energy and Environment

The Kansas City region, through public-private collaboration, continues to be a leader in sustainable solutions to energy and environment challenges that promote a stable and diverse energy portfolio reflective of our region. The KC Chamber supports the development and voluntary use of alternative, domestic, and renewable energy resources that are environmentally friendly, balance public health protection and business needs, and do not impede the region's economic competitiveness or cause unreasonable burdens to business. The KC Chamber advocates for federal energy and environmental policies that maintain states' rights and flexibility, and maximize energy security and efficiencies, including:

- Measures to upgrade and expand production, national transmission and distribution infrastructure of all energy/fuel sources.
- Regulatory strategies to reduce greenhouse gases in a way that creates opportunities for economic growth while balancing costs to customers
- Measures to incentivize energy efficiency in commercial buildings and residential dwellings.
- Reform of the Renewable Fuels Standard Act (RFS) to provide greater focus on advanced biofuels research and technology and minimize impact on Midwestern consumers.
- Balanced water regulation, including possible revisions to the Waters of the United States (WOTUS).
- Reasonable air quality measures and ozone standards that protect public health and create an environment for economic growth.

Other Infrastructure Needs

The KC Chamber supports authorization and full funding of the Urban Revitalization and Livable Communities Act (HR 3734) and continues its strong support for federal policy to encourage regional collaboration and investment, regional planning, and economic and workforce development.

Support legislation to enable voters to approve a county fee on all communications devices to support emergency 9-1-1 costs, in addition to a statewide fee on pre-paid wireless devices to provide resources for small communities to enhance their 9-1-1 systems.

HEALTHY, EDUCATED WORKFORCE

KC area businesses report one of the greatest challenges they face is the global race for talent. US businesses and private organizations spend approximately \$130 billion each year on worker training and development. In the knowledge-based global marketplace of the 21st century, a well-educated population with technical skills and problem-solving abilities is the key to Kansas City's innovation, growth, and ability to compete.

Workforce Development, Education & Human Capital

Creating a competitive workforce involves "Cradle thru Career" strategies to strengthen the workforce pipeline, retool the incumbent workforce, and access an international talent pool. The KC Chamber supports policies and funding to encourage a robust PK-20 public education system emphasizing a rigorous science, technology, engineering, and mathematics (STEM) curriculum based on globally competitive standards and fostering a well-trained, productive, competitive workforce. This includes support for:

- Programs to keep higher education accessible and affordable by maintaining funding for need-based student aid programs, including maximum level funding for year-long Pell Grants and other federal student aid programs, and increased federal investments to serve students seeking in-demand, non-credit credentials.
- Retaining and improving higher education tax incentives.
- Measures to encourage workforce development including increased funding for Graduate Medical Education (GME) to address the impending physician shortage and continued financial support of the Public Health Services Act (PHSA) which supports education and training for health care workers.

- Adequate funding for the Community-Based Job Training grant program and efforts to restore the Carl D. Perkins Act, which funds career and technical education in secondary and postsecondary schools.
- Local control of education systems. (The Chamber opposes efforts to reduce federal funding based on state funding and tuition levels and policies that support, encourage or incentivize K-12 scholarship tax credits, tax tuition credits, vouchers and similar measures.)
- Policies to continue improvement of K-12 education, encourage school districts to pursue “exemplary” education, and participation of superintendents with government officials as education policy is developed.
- Maintaining formula funding for Title I as opposed to a competitive grant model.
- Investment in early learning programs including Head Start, Early Head Start, and the Child Care Development Block Grant to allow assistance to an increased number of eligible children/families.
- Full funding for the Individuals with Disabilities Education Improvement Act (IDEA).
- Policies that promote labor productivity, provide job training skills, and encourage more citizens to enter or re-enter the workforce, such as the Workforce Innovation and Opportunity Act (WIOA).

Health Care Access, Affordability, and Quality

During the phase-in of the Affordable Care Act (ACA), The KC Chamber supports efforts to help businesses of all sizes reduce costs and regulatory burdens of providing health care coverage or wellness support and encourages ongoing efforts to improve access to quality health care including:

- Efforts to modernize and improve the Medicaid program to increase efficiencies including maximizing state flexibility in Medicaid funding and maintaining provider taxes at levels that allow Missouri and Kansas to sustain vital safety net coverage for children and families.
- Adoption of a definition for full-time employment that aligns with that of the business community.
- Maintaining a fair and competitive market for health insurance companies during the implementation of the ACA, including efforts to further delay or repeal taxes that increase the cost of health insurance products making it difficult for individuals to afford coverage
- Appropriate medical malpractice liability reform to protect access to affordable, quality health care.



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