

PRIORITIES FOR THE 84TH TEXAS LEGISLATURE

GOLDEN TRIANGLE DAYS
in Austin **2015**



BEAUMONT ■ PORT ARTHUR ■ ORANGE AREA
GROVES ■ PORT NECHES ■ NEDERLAND ■ BRIDGE CITY ■ VIDOR



EXECUTIVE SUMMARY

The legislative priorities for Golden Triangle Days in Austin represents the important business issues facing the Golden Triangle—the energy-gateway for the State of Texas and the U.S. economy. Consisting of the cities of Beaumont, Orange, and Port Arthur and the counties of Jefferson and Orange, the Golden Triangle is home to the largest manufacturing complex responsible for \$21 billion in economic annual impact and hundreds of thousands of jobs. This agenda has been developed by the chambers of commerce of those cities and approved by their respective boards of directors. The chambers represent thousands of businesses throughout the region.

The Golden Triangle Days in Austin committee presents this agenda for the 83rd state legislature with a singular purpose to promote the best possible business climate and to bring important issues to the attention of state government. The agenda covers the following topics:

- * **Economic Development and Competitiveness**
- * **Education and Workforce Development**
- * **Environmental Quality and Stewardship**
- * **Health Care**
- * **Insurance**
- * **Taxes**
- * **Transportation, Energy, and Technological Infrastructure**

ECONOMIC DEVELOPMENT & COMPETITIVENESS

The Golden Triangle's strong regional economy has played a crucial role in keeping Texas at the forefront of private sector job creation, and commerce. For statewide success to continue, it is important that several formidable challenges be addressed to ensure continued growth. First among these challenges is recognition federal energy policies are threatening the oil and gas industry and the manufacturing base of Texas. Regulatory overreach, taxation, poor policy choices, and lack of understanding contribute to the threat.

For private sector job creation to continue entrepreneurs must be able to explore new technologies and businesses must be encouraged to invest capital. For the sake of economic prosperity, the Golden Triangle encourages the following:



Support continued funding for Skills Development Training Programs.

Support economic development financing incentives providing maximum local control and flexibility.

Support research and development tax credits and other business tax incentives that attract and retain high-quality jobs.

Support a fair civil justice system that promotes a sound business environment capable of attracting and retaining manufacturing jobs.

Ensure Texas businesses continue to have the right to set the terms of employment and rules for their workplaces.



EDUCATION & WORKFORCE DEVELOPMENT

The ability of the Golden Triangle to meet its current workforce needs and support the success for tomorrow depends on the quality of education today. Recent economic investment and education initiatives have contributed towards improving the quality of area public schools and training programs. Several area communities passed historic bond packages and are completing construction programs to upgrade facilities.

The Golden Triangle encourages those seeking higher education. Lamar University has solidified its place as a global leader in engineering, nursing, education, and business. The institution's commitment to energy engineering and research to market initiatives deserve support. Lamar Institute of Technology and our two-year state colleges Lamar State Colleges in Orange and Port Arthur perform crucial and leading roles in providing training for tomorrow's workers. There is a strong local educational infrastructure in place, but more can still be done to guarantee graduates at all levels are prepared for successful entrance into the workplace.



Support legislative actions aimed at promoting academic excellence in public schools with emphasis on math, science, and skills required in modern workplaces.

Promote career and technical education as attractive career pathways.

Incentivize public schools districts, community colleges, technical schools and universities to increase the number of graduates in critical fields.

Support adequate funding for Lamar University, Lamar State College-Orange, Lamar State College-Port Arthur, and the Lamar Institute of Technology consistent with their growth and the needs of the future.

ENVIRONMENTAL QUALITY & STEWARDSHIP

Despite the common perceptions surrounding industrial areas, the Golden Triangle prides itself on being in compliance with federal air and water quality standards while simultaneously experiencing economic growth. Companies operating in the Golden Triangle have invested hundreds of millions of dollars in air quality improvement projects that have resulted in a 47% reduction in industrial air emissions. Our area is now rated as meeting the current ozone air quality standard.

Water is one the most valuable resources found in our corner of Texas. Protecting and preserving this resource is in the best interest of the region and the State of Texas.

The Golden Triangle's legislative priorities in environmental quality are those that will promote progress and environmental stewardship:



Preserve junior water rights protections from legislation on water resources.

Adequately compensate areas with surplus water resources as part of a comprehensive plan for state water planning.

Support state control of the air quality permitting program and oppose any effort to regulate green houses gases.

Encourage private investments to improve water and air quality through market driven measures and sound scientific evidence that is peer reviewed and economically practical.

Recognize impressive environmental performance improvement is achievable through stakeholder cooperation as well as regulation and mandates.

Support efforts to restore the hurricane damaged beaches and coastal wetlands such as the McFaddin National Wildlife Preserve which serve as natural barriers for industrial assets and residential communities.

HEALTH CARE

Access to high quality health care is a key component to continued economic development. It is also critical in a heavily industrialized area to have top tier trauma and high quality healthcare. The Golden Triangle is challenged by a high level of uncompensated indigent and uninsured care with uncertainty about the impact of federal healthcare reform.

The Golden Triangle supports measures that provide affordable quality health care to Texans in a manner that remains affordable to the employer. We recommend the following:

Retain dedicated funding sources for critical local trauma services and promptly distribute those funds to hospitals and physicians who provide uncompensated emergency services.

Support health insurance exchanges that allow individuals and small businesses to competitively shop for and purchase health insurance, and help individuals easily determine if they qualify for aid, assistance, or Medicaid coverage.

Seek federal waivers that would allow flexibility for Medicaid coverage that allows adequate payment for services and access.

Ensure that UTMB resumes its traditional role as the Level I hospital for the Southeast Texas region.

Support programs for the mentally ill and programs for the developmentally disabled.

Allow businesses to pool together and negotiate with health insurers to lower costs while improving choice and competition. Work to reduce insurance mandates that drive insurance prices up and limit individual options for competitive pricing.





INSURANCE

All regions of Texas face formidable natural challenges that impact insurance costs. The primary challenge to coastal regions, including the Golden Triangle, is windstorm and the lack of a competitive market forcing reliance on TWIA for insurance. Solutions must be found to encourage a robust market to attract insurance carriers. There must be recognition of the statewide benefits provided by the vibrant coastal economy.

We, therefore take the following position:

Support efforts to insure the sustainability of TWIA and the opportunity for affordable insurance rates while working toward private insurance competition in coastal communities.



TAXES

Research and development (R&D), job creation, and capital investment tax credits are an important recruitment and retention tool for Texas communities. Government at all levels must consider the cumulative impact of regulation, fees, and taxes on the competitive environment for businesses operating in the United States. With this in mind, the Golden Triangle supports the following legislative policies:

Promote a competitive business tax environment with all state and local taxes.

Support requiring government at every level to restrict budget growth to population and inflation indices and to insure no unfunded mandates from the state to local taxing entities.



TRANSPORTATION, ENERGY, & TECHNOLOGICAL INFRASTRUCTURE

The movement of persons and goods is the linchpin to economic development. In the Golden Triangle, nearly 110,000 vehicles pass through the region on Interstate 10 everyday. Half a dozen state highways also meet in the region, making the Golden Triangle a hub for regional and national transportation.

The Sabine-Neches Waterway, the nation's fourth largest ship channel, is America's energy gateway. Each day, ships dock to more than 60 terminals and link the world to the region's extensive industrial infrastructure system which feeds a growing state and energy-hungry nation. The Golden Triangle encourages a balanced development plan to ensure reliable and affordable energy for long term growth. To ensure the continued mobility necessary for a vibrant economy, we take the following positions:

Support legislation which enhances the competitive position of Texas ports, rail, highways, and pipelines that facilitate international trade.

Support policies and permitting practices that speeds the construction of LNG liquefaction facilities planned for Golden Pass LNG in Jefferson County.

Support continued reconstruction and expansion of IH-10 from Adams Bayou to the Louisiana state line and the restoration of the State Highway 87 road from Sabine Pass to High Island.

Support a double rail crossing over the Neches River to allow for the growth of freight movements in and out of Southeast Texas.



Support a strong and reliable electrical system capable of attracting new business and industry with competitive energy costs.

Expedite the permitting process to move transportation and energy construction projects forward, creating jobs and upgrading infrastructure.

Support the Texas Legislature's continued efforts to modernize, update, and streamline communications laws and regulations, including the removal of outdated rules and requirements, and urge efforts to protect against new taxes and regulations on advanced technologies, including internet-based wireless and satellite technologies.

Support efforts to ensure Texans have access to cutting edge networks and technologies, including wire line and wireless IP broadband that can deliver substantial economic benefits for consumers and businesses.

Support job creation and an environment that encourages investment in critical technological infrastructure and continues to promote innovation over burdensome regulation. An environment that spurs, through smart incentives and tax policy, the research, development and manufacturing that can unleash a new wave of economic growth and job creation to strengthen our state and our nation.

Support a \$50 increase in the car registration fee to fund new highway projects.



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