

Kentucky Chamber

NEWS

JANUARY/FEBRUARY 2008

INSIDE THIS ISSUE

- 2 CHAMBER WEIGHS IN ON GAMING**
- 4 BUSINESS COMMUNITY KICKS OFF 2008 GENERAL ASSEMBLY**
- 5 MEET YOUR LOBBYING TEAM**
- 6 REESE: BESHEAR'S FIRST IMPRESSION**



ABOVE: Bryan Sunderland, director of public affairs for the Kentucky Chamber, discusses legislation with Sen. Ken Winters (R-Murray). Winters is the sponsor of SB2, an education bill the Chamber supports (See page 2 for more information).

LEFT: Rep. Addia Wuchner, (R-Florence) (left) speaks with Rep. Harry Moberly, (D-Richmond) on the floor of the Kentucky House of Representatives. (Photo courtesy of LRC Public Information)

RIGHT: Allyson Hamilton (left), manager of public affairs for the Chamber, and Rep. Susan Westrom (D-Lexington) discuss legislation at the Capitol.

2008 GENERAL ASSEMBLY

Kentucky Chamber closely monitoring business legislation

AS THE 2008 SESSION of the Kentucky General Assembly nears the halfway point, several key Chamber-supported initiatives are making their way through the legislative process. Those initiatives are highlighted on page 5.

The cost of health care is often cited as the highest cost driver for business owners. The Chamber is working to pass legislation that will provide important quality and cost information for consumers. Legislation is also being considered to address the lack of physicians in Kentucky, particularly in rural areas. In addition, serious consideration is being given to an increase in the excise tax on cigarettes, a positive measure to help reduce smoking.

Education is the best and most cost-effective solution for economic development. Several positive measures to improve educational attainment in the Commonwealth are advancing. Both the House and Senate have passed a number of measures supported by the Kentucky Chamber. Legislation to encourage students to take high-level math and science courses and to fund the Advanced Placement tests for students has passed the Senate. The House has passed legislation to improve school safety and lower the dropout rates.

Small businesses account for more than half of all job creation in the U.S. and comprise 71 percent of the Chamber's membership. To help these businesses grow and expand, legislation has been filed in the House and Senate that would provide tax incentives to help small and existing Kentucky businesses to grow and create new jobs. Both bills are consistent with the Chamber's economic development priorities.

Another important economic development proposal being discussed is Senate legislation that provides an innovative way to empower local governments to fund important infrastructure projects, like bridges and other transportation mega-projects, without significantly depleting an already strained state road fund budget.

continued on page 5



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Kentuckians look to the future

NEW AGENDA TASK FORCE RELEASES COMPILATION OF "GREAT IDEAS"

Improving education. Saving energy. Promoting healthy living. Reducing crime. These were among the ideas Kentuckians submitted in 2007 in an effort to make the Commonwealth a better place to live and work.

Released in early January, "Great Ideas for Kentucky" is a compilation of 100 of the best ideas submitted to the New Agenda for Kentucky project through www.newagendaky.com and community meetings held around the state. More than 400 ideas were submitted during the six-month process.

"Great Ideas for Kentucky" is available for download at www.newagendaky.com.



Craig Grant,
Regional President,
PNC Bank & New
Agenda Task Force
Chairman

"We believe that anyone interested in the future of Kentucky will find this New Agenda to be interesting reading. We also hope that it will be helpful to our governor, legislators and other elected, civic and business leaders as they work to strengthen our state and its future," said Craig Grant, PNC regional president. Grant served as chairman of the New Agenda Task Force, comprised of Kentucky business executives and young entrepreneurs.

Gov. Steve Beshear was presented with "Great Ideas for Kentucky" along with policymakers.

continued on page 3

5 Transformational goals for Kentucky

In addition to the list of 100, the New Agenda for Kentucky Task Force developed five themes that could transform the Commonwealth:

- 1** Preparing Kentucky to successfully compete in the global marketplace
- 2** Improving the education attainment of Kentuckians at all levels
- 3** Expanding Kentucky's role as an energy leader
- 4** Promoting wellness and healthy Kentuckians
- 5** Modernizing government at all levels

Chamber offers perspective on expanded gaming

Mike Ridenour, vice president of public affairs for the Kentucky Chamber, recently testified before the House Special Subcommittee on Expanded Gaming, saying that expanded gaming is a reasonable and appropriate policy measure to recoup the hundreds of millions of tax dollars being lost annually to casino gaming in neighboring states. Ridenour testified that such a move would also help ensure the economic competitiveness of Kentucky's signature equine industry and provide additional revenue for high-yield public investments like education.

Specifically, the Chamber believes the General Assembly should put a constitutional amendment on the ballot that would authorize expanded gaming if approved by voters. If approved by Kentuckians, the General Assembly should then establish the



Mike Ridenour, vice president of public affairs for the Kentucky Chamber, testifies before the House Special Subcommittee on Expanded Gaming.

structure under which casinos would be operated by the state's racetracks along with a limited number of licenses allocated to ensure an effective geographical and market-based distribution.



Kentucky Chamber President and CEO Dave Adkisson testifies on behalf of Kentucky business to the Kentucky Senate in support of key education legislation.

Adkisson supports education bill

Kentucky Chamber President and CEO Dave Adkisson recently testified on behalf of Kentucky business to the Kentucky Senate in support of Senate Bill 2. The bill, which later passed the Senate 36-0, will encourage students to take rigorous math and science classes. The legislation will also provide grants to pay for the cost of Advance Placement (AP) examinations, professional development for teachers and a new energy technology engineering career track for students.

During his testimony, Adkisson said education is key to Kentucky's workforce becoming globally competitive. "I would encourage you to support this bill. Even in tough times of funding, with the budget challenges you face, we must make steps forward in education," said Adkisson. At press time, SB2 was moving to the House for action.

Policy conference audio available online

During the Kentucky Chamber's recent Policy Conference, Gov. Steve Beshear, as well as representatives and senators from around the state, weighed in on their top priorities for the 2008 General Assembly. Complete audio from the event is available at www.kychamber.com/policyconference.

Beshear spoke to an audience of about 200 during his luncheon address and outlined his goals for 2008 and beyond.

Rep. Tom Burch, Rep. Tommy Thompson and Sen. Tom Buford led a discussion on health care and insurance; Sen. Tom Jensen, Rep. Jim Gooch and Rep. Rocky Adkins led a discussion on energy and the environment; Sen. Ken Winters, Sen. Jack



Left: Gov. Steve Beshear and Kentucky Chamber President and CEO Dave Adkisson spoke during the 2007 Policy Conference in December. Right: Sen. Dan Kelly discusses taxes and the state budget.

Westwood and Rep. Frank Rasche led the discussion on education in Kentucky; and Sen. Brett Guthrie, Rep. Hubert Collins and Rep. Don Pasley discussed transportation. Rep. Harry Moberly and Sen. Dan Kelly concluded the conference with a discussion on taxes and the state budget.

Coalition for Sustainable Benefits calls for legislative action

The Coalition for Sustainable Benefits recently called for legislative action on options identified by the Blue Ribbon Commission on Public Employees Retirement Systems to resolve the financial challenges confronting the retirement systems that cover state and local government employees and public school teachers.

The Coalition was formed in February 2007 by the Kentucky Chamber of Commerce, the Kentucky League of Cities and the Prichard Committee for Academic Excellence to raise awareness of the threat posed by rising retirement and health costs to such vital services as education and public safety.

The Blue Ribbon Commission urged eliminating

automatic Cost of Living Adjustments (COLAs) for retirement benefits and instead called on the General Assembly to fund limited COLAs only if funds are available. The Commission declined to adopt two key recommendations to address the core problems of escalating retirement and health insurance costs.

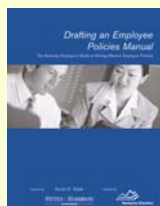
"Creating the task force was a good idea and some possible solutions have been outlined, but now we need some tough decisions," said Dave Adkisson, president and CEO of the Kentucky Chamber of Commerce. "This issue simply isn't going away; we can't hide from it. It involves potentially billions of dollars and the livelihoods of thousands of public servants in Kentucky."

New edition of *Drafting an Employee Policies Manual* available

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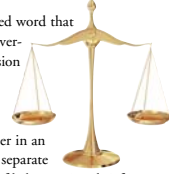
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Chamber goes to court on behalf of Kentucky businesses

THE KENTUCKY CHAMBER of Commerce is not only working for Kentucky businesses monitoring legislation during the 2008 General Assembly — it is also working to protect against court decisions that could have a negative impact.

The Chamber recently received word that the Kentucky Supreme Court overturned a Court of Appeals decision in the case of Papa John's, International, Inc. v. McCoy. The opinion upheld the major arguments made by the Chamber in an amicus brief filed last year. In a separate case, the Chamber also recently filed an amicus brief in an appeal filed by Thoroughbred Generating Company. The brief was accepted by the Supreme Court Jan. 22.



PAPA JOHN'S, INTERNATIONAL, INC. V. MCCOY

Central to the Papa John's case was whether a franchisor can be held liable for the actions of franchisee's employees over whom it has no control of hiring or managing. The Court of Appeals took what the Supreme Court called a "mixed bag" of legal theories in finding that a franchisor could be liable. In its decision overturning the Court of Appeals ruling, the Supreme Court recognized it had to "take a more precise approach given the ubiquity of the franchise method of doing business in Kentucky."

According to the Supreme Court's opinion, a franchisor is "vicariously liable for the conduct of the franchisee when it, in fact, has control or right of control over the daily operation of the aspect of the franchisee's business that is alleged to have caused the harm." The opinion also states that if harm is caused by an aspect of the franchisee's business outside of the franchisor's control, such as an employee who is alleged to have committed intentional, harmful acts, the franchisor cannot be held liable.

"The Supreme Court's decision clarifies and bolsters the historic interpretation of Kentucky law regarding franchisor liability in these situations," said Kentucky Chamber President and CEO Dave Adkisson. "We are pleased the high court listened to the business community's concerns when reviewing this case."

Barbara Edleman of Dinsmore and Shohl prepared the amicus brief for the Chamber.

THOROUGHbred GENERATING COMPANY APPEAL

On Jan. 22, the Kentucky Court of Appeals granted the motion of the Chamber to file an amicus brief in the Thoroughbred Generating Company appeal. The Thoroughbred appeal involves a challenge to an air quality permit issued by the Kentucky Department for Environmental Protection (KDEP) for a proposed coal-fired electric generation plant in Western Kentucky.

The Sierra Club claims the challenged permit violates the requirements of Kentucky's Prevention of Significant Deterioration (PSD) program. The PSD program, required by the federal Clean Air Act, is designed to prevent the deterioration of air quality in areas that are meeting the federal air quality standards. On Aug. 6, the Franklin Circuit Court ruled in favor of the Sierra Club, ordering the permit back to KDEP for further consideration.

The Thoroughbred case has potentially serious implications for a wide range of businesses throughout Kentucky. Many businesses that emit one or more air pollutants — such as auto manufacturers, consumer products manufacturers, chemical producers and the state's power producers — will require a PSD permit before commencing any significant new construction or expansion.

The excessive and unwarranted permitting burdens that would be imposed by the Circuit Court's decision will make it difficult for Kentucky to attract new business or to support the expansion of existing business, thereby putting the Commonwealth at an economic disadvantage.

The amicus brief filed on behalf of the Kentucky Chamber points out the serious harmful effects that will be felt by Kentucky businesses if the Circuit Court's decision is upheld. Frost Brown Todd LLC prepared and filed the brief on the Chamber's behalf. The firm's work was led by Tim Hagerty, a member of the Kentucky Chamber's board of directors.



FROM THE FRONT PAGE
Beshear and key officials presented with 'Great Ideas'

"All of us – in government, business and other segments of society – should read the plan and ponder its suggestions," said Beshear. "They serve as a good framework for questioning current practices and improving the future of this state."

In submitting ideas, Kentuckians were asked to follow three simple guidelines:

- **Be relevant to Kentuckians.** Every idea should speak to the concerns of Kentuckians and be relevant to their lives.
- **Focus on the future.** Each idea should be about the future and aimed at making Kentucky a better place to live and work.
- **Think beyond the government.** Although government's role is vital, ideas should focus not only on government action but also should consider the role of private enterprise and individuals in making Kentucky the best it can be.

The task force hopes that school systems, local chambers of commerce, public officials and other groups will look to "Great Ideas for Kentucky" for ways to take action in Kentucky. Additional efforts could include raising public awareness of new ideas, facilitating public-private partnerships, communications with private sector investors and other activities.

To learn more about the New Agenda for Kentucky project, or to download "Great Ideas for Kentucky," visit www.newagendaky.com.



New Agenda for Kentucky Task Force Members presented Gov. Steve Beshear with a copy of "Great Ideas for Kentucky" at Chamber Day in January. From left, Danny Murphy (Wyatt, Tarrant & Combs), Ann McBrayer (Kentucky Eagle Beer), Beshear, Task Force Chairman Craig Grant (PNC Bank), Joan Coleman (AT&T Kentucky) and Rene True (ConnectKentucky).

“ALL OF US ... SHOULD READ THE PLAN AND PONDER ITS SUGGESTIONS. THEY SERVE AS A GOOD FRAMEWORK FOR QUESTIONING CURRENT PRACTICES AND IMPROVING THE FUTURE OF THIS STATE.”
 — GOV. STEVE BESHEAR

GREAT IDEAS FOR KENTUCKY

"The greatest contribution the (Kentucky) Chamber can make is to form a committee of the most influential business leaders in Kentucky, study the educational system in Kentucky in great detail, including its financing, and make specific, practical and doable recommendations and then lead the struggle to get them adopted into law."

— Former Governor Paul Patton, Pikeville

Kentucky should continue to strive for improvements and funding for educational programming, support growth in the manufacturing sector of the economy and promote clean coal technology development to assure Kentucky's coal usage."

— Tim Mosher, President/CEO, Kentucky Power, Frankfort

Kentucky should "find the best state model for mandating health insurance for all and try to copy it or create new strategies to improve it – especially for Medicare and children's health programs." The state also needs to "write a new constitution to address transparency, simplicity, flexibility, tax revision, funding of education and environmental protection."

— Al Smith, Former Host, Comment on Kentucky, Lexington

Consolidating counties and county and city governments, revamping education and the way it is funded and changing health plans for public employees to mirror private-sector plans would be ways to improve Kentucky.

— Jean Hale, CEO, Community Trust Bank, Pikeville

"I believe the root of our success in all economic, social and socioeconomic areas will involve generating awareness and changing attitudes about how we go about educating our people. While industrial and retail recruitment, development of quality of life components (including health), bettering race relations, and offering good housing are important, it is educating the people that will ultimately be the catalyst that progresses our communities in Kentucky."

— Taylor Hayes, Publisher, Kentucky New Era, Hopkinsville

Kentucky needs "greater investment in infrastructure (road, Internet connectivity, etc.), and an examination of potential tax code changes to lure greater business investment..."

— Bob Albert, Dean, Morehead State University College of Business

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- Greenebaum Doll & McDonald PLLC
- Harper Industries
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- Kentucky Association Of Electric Cooperatives
- Kentucky Power
- National City Bank of Kentucky
- Norton Healthcare
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Kentucky Chamber DAY



TOP LEFT: Kentucky Chamber Chairman-elect Darby Turner spoke to a crowd of 1,200 on behalf of the Chamber during the 2008 Kentucky Chamber Day Event.

ABOVE: Kentucky Chamber Board Member Michael Francesconi, vice president of public affairs and communications for UPS, speaks with former Gov. Martha Layne Collins.

LEFT: Attorney General Jack Conway and Gov. Steve Beshear greet each other at the opening of Chamber Day.

Governor, legislators address Chamber priorities



Gov. Steve Beshear addresses the largest-ever crowd for Kentucky Chamber Day. WKYT Anchorman Bill Bryant, background, served as master of ceremonies for the Jan. 10 event. Seventy Kentucky legislators were also in attendance.



Senate President David Williams greets a guest during Chamber Day. A record-breaking 1,200 business leaders, local chamber executives, legislators and other key officials attended.

BELOW: (Left to right) Joan Coleman, AT&T Kentucky and Gov. Steve Beshear. Craig Grant, PNC Bank, Ann McBrayer, Kentucky Eagle Beer, and Bob Gray, Taylor Gray Associates. Daryl Love, Ashland Inc. with colleague. Keith Gannon, Boneal, Wayne Andrews, Morehead State University, and Jim Booth, Booth Energy. Lexington Mayor Jim Newberry and a Chamber Day attendee.

Kentucky's budget shortfall was the theme as legislative leaders and Gov. Steve Beshear addressed a sold-out crowd of 1,200 at Kentucky Chamber Day 2008 on Jan. 10, presented by the Lexington Herald-Leader CareerBuilder. The speakers, representing minority and majority House and Senate leadership, agreed that bipartisanship will be key to resolving the budget shortfall.

"If we're going to succeed, we will need hard work, we will need vision, but we will need unprecedented bipartisanship and cooperation," said House Speaker Jody Richards. "We simply cannot afford gridlock." Beshear told the audience of Chamber board members, legislators and local chamber executives from around the Commonwealth that belt-tightening and rethinking many of Kentucky's programs will be necessary. "We must become more imaginative, more creative and more novel on how we think about advancing the Commonwealth of Kentucky," Beshear said after lauding the Chamber-convened New Agenda Task Force's recently released publication. "That goal has become particularly important as we face the financial situation that we find ourselves in."

During his remarks, Senate

Minority Floor Leader Ed Worley weighed in on higher education — one of the Chamber's top priorities. "Higher education is the economic engine of Kentucky," said Worley. "We have a responsibility to give to our colleges and universities an adequate source of money for them to accomplish the mission that we imposed on them in higher education reform."

Along with higher education reform, several of the Chamber's top legislative priorities for 2008 were mentioned during the event. Lowering the cost of health care and fixing the state's public pension problem were also addressed. "Taxpayers will no longer stand for a pension plan for new employees that is not sustainable in the long run," said Senate President David Williams. "But, we must maintain our obligations to retired and current employees."

Throughout the event, the speakers thanked the Kentucky Chamber for its continuing efforts to improve the business climate of Kentucky. "I want to thank Dave Adkisson and the Kentucky Chamber for the job that they do," said House Minority Floor Leader Jeff Hoover. "They do an outstanding job every day, advocating for Kentucky business."

WATCH THE CHAMBER DAY REMARKS AT KYCHAMBER.COM



Senate President David Williams



House Speaker Jody Richards



Senate Minority Floor Leader Ed Worley



House Minority Floor Leader Jeff Hoover



KEEPING AN EYE ON LEGISLATION

Below: Key legislation the Kentucky Chamber is supporting during the 2008 General Assembly. Contact your local legislators to let your opinion on these issues be heard and to urge them to take action.



Addressing Kentucky's Physician Shortage – HB 416 (DeWeese, Watkins) addresses an extremely important issue identified by the Chamber's Health Care Committee and highlighted in a Kentucky Institute of Medicine report commissioned by the Kentucky Medical Association. HB 416 will create a loan forgiveness program for physicians and dentists who are willing to practice in underserved areas in Kentucky.

Health Care Transparency – HB 44 (Burch) will make permanent the Chamber's effort to provide consumers with cost and quality information about their health care options.

Improving Trauma Care – HB 371 (DeWeese) would create an efficient and coordinated statewide trauma system. Currently, many areas of the state lack good trauma care which contributes to a higher mortality rate from accidents in most areas of the state.

Science and Math Achievement – SB 2 (Winters) is an important measure that will encourage students to take rigorous math and science classes. The legislation will provide grants to pay for the cost of Advance Placement (AP) examinations, professional development for teachers and a new energy technology engineering career track for students. SB 2 is a key priority of the Chamber (see page 2 for more information).



University Bonding – HB 111 (Damron) would allow Kentucky's public universities to issue revenue bonds for projects such as dormitories, hospitals and research facilities. Kentucky is one of only a few states that do not permit universities to issue bonds for needed infrastructure. HB 111 awaits action in Senate Appropriations and Revenue Committee.



Alternative Certification – SB 64 (Kelly) allows for alternative certification for people qualified to teach math and sciences. This will help recruit individuals with real world experience and subject matter expertise.

School Safety – HB 91 (Cherry) intends to increase the safety and well-being of students. This legislation classifies student harassment, intimidation or bullying as a cause for suspension, expulsion or other appropriate disciplinary action. Sen. Julian Carroll has introduced a similar bill, SB 12. The Chamber supports moving forward on this issue.

Small Business Tax Incentives – HB 38 (Pullin) would develop a small business development credit program within the Division of Small Business Services to assist new or existing small businesses in creating jobs. SB 36 (Sanders) would lower the investment and job creation thresholds for KREDA-eligible smaller companies so that they could qualify for existing incentives. Both approaches are positive measures consistent with the Chamber's economic development priorities.



FROM THE FRONT PAGE Chamber concerned by cuts to education

Discussions are ongoing about proposed legislation to allow Kentucky voters to determine the fate of expanded gaming options in the Commonwealth. Gov. Beshear campaigned on this issue and is advocating gaming as a way to help fund needed programs.

In addition to working for several positive measures, the Chamber is working on several challenging issues. The greatest challenge for lawmakers this year is passage of a state budget. Much of the recent discussion has focused on budget shortfalls and how to balance the need

to fund essential programs with the requirement of a balanced budget. The Chamber is watching these discussions closely and is concerned about the possibility that education may not be funded at the levels necessary to continue the progress made over the past few decades.

In addition to funding concerns, the Chamber's public affairs team is also working to fight back potentially negative workers' compensation legislation, bills that would expose businesses to increased litigation and business tax changes that would stifle growth.

As the session continues into March and April, our team will be keeping watch over proposed legislation that could be detrimental to your business. Keep an eye out for communications regarding legislation and action alerts that will allow you to quickly contact your legislators on issues of importance. Your voice is critical; please contact our public affairs team with your concerns and questions.



Sen. Perry Clark (D-Louisville) and Mike Ridenour, vice president of public affairs for the Chamber, discuss legislation at the Capitol.

Working for you at the Capitol

MEET THE CHAMBER'S LOBBYING TEAM

EACH YEAR, the Kentucky Chamber lobbying team reviews more than 1,000 pieces of legislation to determine their impact on businesses. Of those, we track and get involved with more than 300. "That's a lot of plates to spin," said Kentucky Chamber President and CEO Dave Adkisson, "but it's critically important for the business community to be at the table as laws and regulations are created for the state."

Bolstered by more than 100 collective years of experience among them and a decidedly proactive approach to their mission, the Chamber's public affairs team of seven works year-round on legislative as well as judicial and regulatory issues.

With our Public Affairs Division at its largest size ever, we thought you'd like to meet your representation around Frankfort's conference tables, in legislators' offices and on the General Assembly floor.

DAVID ADKISSON, president and CEO, has more than 30 years experience in both chamber work and politics.

Adkisson directs the Chamber's strategic mission, identifying the business community's role in short- and long-range efforts that can change the face of the Commonwealth.

MIKE RIDENOUR, vice president for public affairs, is one of the most highly regarded business advocates in Frankfort. Overseeing the Kentucky Chamber's policy development and advocacy mission, Ridenour tracks hundreds of bills that could help – or hurt – the business community of Kentucky. As the Chamber's chief lobbyist, he works

with Chamber members and volunteer leaders to develop the Chamber's legislative agenda prior to each session of the Kentucky General Assembly.

"Mike uses business leaders across the state as his 'brain trust' and his sounding board," said Adkisson, "and crafts the Kentucky Chamber's responses based on that feedback."

BRYAN SUNDERLAND, director for public affairs, brings a wealth of legislative experience to the Chamber, having worked for Kentucky Senate leadership before joining our team. Sunderland is highly analytical, understanding both the substance and mechanics of proposed legislation, as well as the politics behind every bill.

"You can always depend on Bryan for an objective situation analysis on the issues that have the potential to make or break the business climate in this state," commented Adkisson.

ALLYSON HAMILTON AND TYLER CAMPBELL, managers of public affairs, are new to the Chamber, but not to Frankfort politics. Hamilton came from the House Speaker's office; Campbell from the Legislative Research Commission. Both are promising young additions to Frankfort's lobbying community.

DIANA TAYLOR, policy consultant to the Chamber and co-owner of Taylor-Gray associates, is a long-time Frankfort observer as a journalist, communications expert and analyst. She is at the center of the Chamber's critical policy work on education and workforce, taking input from business, education and political leaders from around the state and helping the Chamber craft policies that will move Kentucky forward. She managed the Chamber's recent Postsecondary Education study, a project that could shape higher education in Kentucky for the next generation.

BEVERLY STANDIFER, manager of political affairs, is the glue that holds the team together. With more than 25 years of service to the Kentucky Chamber and its members, Standifer spearheads the Chamber's political education efforts, identifying business-friendly candidates for election and administering the Kentucky Chamber PAC.



guest commentary

The foundation of an administration

Beshear making a good impression with initial speeches

By Lowell Reese

MAKING A GOOD first impression is important even for a new administration in Frankfort, and Gov. Steve Beshear cleared that hurdle with ease. In his Inaugural, State of the Commonwealth and Budget speeches, he came across as a politically seasoned thinker who can lead the state in a bold new direction. The tone of the speeches, together with sound content, probably upgraded the governor's stock among fiscal conservatives.

He demonstrated that he's politically mature, that he recognizes the state's plight, and that he has a plan and a picture in his mind on how to go about charting a new course for the economy.

Throughout his speeches, he talked about the economy and our need to do better. "Re-engineering Kentucky's economy" is among his highest priorities, he said, making the point that expanding the base brings in more taxes, which then would enable the state to:

- Afford additional investments in education;
- Make health care accessible to all;
- Invest more in job training;
- Better attack the unfunded liability in the state's retirement system;
- Keep our young people in Kentucky.

We have a governor who quoted Lincoln, Jefferson, Clay, Shakespeare and Emerson, and gave us, with calm gravitas, a feeling that political economy is an important idea in his life.

All of that from a Democratic lawyer? Who told labor unions during the election that former Gov. Paul Patton's executive order to authorize state government to enter into "letters of understanding" with unions didn't go far enough?

We'll see. Man is the only animal that makes

other animals think he's their friend until he eats them. Therefore, it's with some hesitation that I say it, but I believe we've seen Steve Beshear's true colors in his speeches.

I like what he didn't say: he didn't promise any interest group anything; he didn't pander; he didn't beat the populist drum; he didn't promote himself.

He talked a lot about unseen things: dreams, imagination, ideas, creativity and expectations, and what unites us as Kentuckians.

He talked about getting our financial house in order and building an economy would help Kentucky become America's next frontier, like in the days of Daniel Boone.

He talked about something that received little attention in the media but could significantly affect the \$886 million budget shortfall, and, therefore, higher education, which faces a 12 percent cut in the new biennial budget.

In his State of the Commonwealth address, Beshear said, "Government can and must be more accountable, more efficient and more innovative. That's why we will be looking for good ideas from every possible source, especially from within state government." His administration created a Web site to collect those ideas.

Tie that, if you will, to a campaign promise. Candidate Beshear said, if elected, he would immediately do an efficiency study of state government that could save as much \$180 million a year. Other states that have performed similar studies have "found savings of approximately 2 percent of their general fund dollars," he said.



Lowell Reese is editor and publisher of *Kentucky Roll Call*, a behind-the-scenes newsletter on Kentucky politics since 1990. For subscription information, call toll free, 1-877-875-7797.

Frederic Bastiat, 1801-1850

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ChamberAdvantage: Managing your Section 125 Cafeteria Plan

IN TODAY'S COMPETITIVE workforce, keeping high-quality employees and attracting new ones require a solid benefit package. A Section 125 Cafeteria Plan adds an element to your package that is beneficial to both the employee and the employer, making it a great asset to any company. This type of plan allows employees to afford more benefits, while helping employers reduce payroll cost.

The benefits of a Section 125 Plan can quickly be overshadowed, though, by the maintenance required to keep your plan in compliance. Without the appropriate support, maintaining a qualified Section 125 plan can be daunting. Your membership in the Kentucky Chamber just made that easier.

Through our partnership with American Fidelity Assurance Company, one of the leading Section 125 Administrative Service providers, Kentucky Chamber members have access to American Fidelity's 25+ years of Section 125 administrative service expertise.

American Fidelity can assist in keeping your Section 125 Plan in compliance by

- providing you with a qualified Section 125 plan document based on information furnished by you;
- assisting with the plan and maintenance with updates of the latest compliance information and trends;
- providing worksheets for the 25 percent



A member of the American Fidelity Group

Key Employee and 55 percent Dependent Daycare Non-Discrimination Tests; and

- reviewing and servicing your plan annually

In addition, their local salaried account representatives work with you and your employees directly to explain the value of a Section 125 Plan and enroll the Flexible Spending Accounts, Health FSA and Dependent Daycare. They can provide the information required to properly install a Health Savings Account (HSA). You will be provided with updated election forms, enrollment summaries and much more to assist you in the management of your Section 125 program.

By working with American Fidelity in the set-up and maintenance of your Section 125 Cafeteria Plan, you'll enjoy all these great services. That means no hassle, no headaches and no worrying. They are there to provide you with support through every step of the process.

For information on American Fidelity's Section 125 Administrative Services, contact Mindy Simpson at mindy.simpson@af-group.com or 859-396-4193.

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Kentucky Chamber members who have signed up for the Office Depot program are **saving an average \$54 per employee on office supplies**. Isn't it time you joined them?

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<p>Office Supplies</p> <p>Office Depot is a leading supplier of business products and office supplies. Start slashing office supply costs while enjoying product variety and easy delivery.</p> <p>1</p>	<p>Tech Depot</p> <p>TechDepot combines unbeatable selection and exceptional pricing to fit the technology needs for businesses of every size.</p> <p>2</p>
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Office DEPOT
Taking Care of Business

A note from the president

Chamber-backed bills could be a boon to small businesses

KENTUCKY HAS a great opportunity this year to expand the support and assistance it offers the state's small businesses. That opportunity comes in the form of two bills under consideration by the 2008 General Assembly that would extend tax credits or incentives for jobs created by small businesses.

House Bill 38, sponsored by Rep. Tanya Pullin, D-Shore, would allow the Kentucky Economic Development Finance Authority to develop a tax credit program for small businesses (defined by state law as employing up to 150 full-time employees and having gross annual sales of less than \$6 million). To qualify, a business would have to create at least one job and invest \$5,000 in equipment or technology. The credit would be capped at \$25,000 a year.

Senate Bill 36, sponsored by Sen. Richie Sanders Jr., R-Franklin, would expand a tax incentive program now available for large employers in high-unemployment counties that qualify for participation in the Kentucky Rural Economic Development Assistance program.

Both of these bills reflect the understanding of the state's elected leaders that small businesses are vital to ensuring economic



By Kentucky Chamber President and CEO Dave Adkisson

To read this article in its entirety, visit www.kychamber.com.

success of Kentucky and its citizens. It is our hope that the General Assembly will discuss the issues surrounding these important measures and quickly enact both House Bill 38 and Senate Bill 36. Contact your legislator today and urge them to support these measures.



Images from the Third Annual Best Places to Work In Kentucky Ceremony.



Fourth Annual Best Places to Work in Kentucky award winners announced

The Kentucky Society for Human Resource Management (SHRM) State Council, in conjunction with the Kentucky Chamber of Commerce, announces the winners in the fourth annual Best Places to Work in Kentucky competition sponsored by Humana Inc. The program is a multi-year initiative

designed to motivate companies in the Commonwealth to move their workplace environments toward excellence.

Winners from across the state have been selected in two categories: small/medium-sized (companies of 25 to 249 employees) and large-sized (companies of 250 employees or greater). The winner's rankings will be announced at an awards dinner April 17 at the Lexington Convention Center. To register, contact Casey Adams at 502-848-8727. For event sponsorship, contact Andrea Flanders at aflanders@kychamber.com.

SMALL/MEDIUM COMPANIES

- Atmos Energy Corporation
- Benefit Insurance Marketing
- Bluegrass Community Hospital
- Catholic Health Initiatives
- Chilton & Medley PLC
- Citizens First Bank
- Crowe Chizek and Company LLC
- Dean, Dorton & Ford, PSC
- Franklin Bank & Trust Company
- Georgetown Community Hospital
- Independence Bank
- Kentucky Orthopedic Rehab Team (KORT)
- KPMG LLP
- Middlesboro Nursing & Rehabilitation Facility
- Mountjoy & Bressler, LLP
- Neace Lukens
- St. Joseph Martin
- (Formerly Our Lady of the Way Hospital)
- Sturgill, Turner, Barker & Moloney, PLLC
- Summit Energy Services, Inc
- Tenmast Software Company
- Town & Country Bank and Trust Company
- Traditional Bank
- Trilogy Health Services, LLC
- Woodward, Hobson & Fulton, L.L.P.
- ZirMed, Inc.

- Owensboro
- Lexington
- Versailles
- Erlanger
- Louisville
- Bowling Green
- Louisville
- Lexington
- Franklin
- Georgetown
- Owensboro
- Louisville
- Louisville
- Middlesboro
- Louisville
- Louisville
- Martin
- Lexington
- Louisville
- Lexington
- Bardstown
- Mt. Sterling
- Louisville
- Louisville
- Louisville

LARGE COMPANIES

- Appriss Inc.
- Baptist Hospital East
- Bellarmine University
- Central Bank
- Central Baptist Hospital
- Commonwealth Hotels, Inc.
- (Corporate office and Ky. properties)
- Corning Incorporated
- Edward Jones
- Fifth Third Bank (Central Kentucky)
- First Federal Savings Bank
- Fischer Homes
- Frankfort Regional Medical Center
- Hilliard Lyons (J.J.B. Hilliard, W.L. Lyons, Inc.)
- Kindred Healthcare, Corporate
- King's Daughters Medical Center
- National Patient Account Service
- Norton Healthcare, Inc.
- Pikeville Medical Center
- Saint Joseph HealthCare
- Sam Swope Auto Group, LLC
- Somerset Community College
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- Stites & Harbison PLLC
- Stoll Keenon Ogden PLLC
- Wyatt, Tarrant & Combs, LLP
- Louisville
- Louisville
- Louisville
- Lexington
- Lexington
- Covington
- Harrodsburg
- Louisville
- Lexington
- Elizabethtown
- Crestview Hills
- Frankfort
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- Ashland
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- Pikeville
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- Somerset
- Pikeville
- Louisville
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- Louisville

* Companies in bold are Kentucky Chamber members.



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seminars

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6th Annual Ky. Environmental Conference	\$495/\$595	Feb. 26-27, 2008	Lexington	OSHA 10-Hour General Industry Compliance	\$495/\$595	Aug. 12-13, 2008	Lexington
5th Annual Ky. Worker's Comp Conference	\$495/\$595	Mar. 6-7, 2008	Lexington	OSHA 30-Hour General Industry Compliance	\$895/\$1095	Aug. 12-15, 2008	Lexington
OSHA 10-Hour General Industry Compliance	\$495/\$595	Mar. 11-12, 2008	Louisville	Supervising & Managing People	\$595/\$695	Aug. 21-22, 2008	Lexington
OSHA 30-Hour General Industry Compliance	\$895/\$1095	Mar. 11-14, 2008	Louisville				
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OSHA 10-Hour General Industry Compliance	\$495/\$595	July 15-16, 2008	Bowling Green				
OSHA 30-Hour General Industry Compliance	\$895/\$1095	July 15-18, 2008	Bowling Green				

Price* = Member/Non-Member. All information is subject to change. For more information on any of the programs listed above, or if there is a program you would like to see offered, please contact Casey Adams by phone at 502-848-8727 or by e-mail cadams@kychamber.com. You can also obtain more details by visiting our Seminar & Events page at www.kychamber.com.

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JANUARY/FEBRUARY 2008

Working for you at the Capitol

Meet the Chamber's Lobbying team

Page 5

