

**CACI's Core Business Issues:
Lobbying Principles for 2008
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On December 13, 2007, the CACI Board of Directors approved the a set of lobbying principles, which reflects CACI's historical public-policy positions, for a number of major business issues that concern the statewide business community, which CACI has represented as *The Voice of Colorado Business* at the Colorado State Capitol for more than four decades.

The principles approved by the Board have been expanded below to include some historical information that provides context for the principles along with some observations about the various issues from CACI's perspective.

Civil Justice (Tort Reform)

A civil justice system that is predictable, efficient, fair and balanced contributes to a positive economic climate in Colorado. CACI has opposed bills that would repeal or weaken the tort-reform measures passed by the Colorado General Assembly in 1986-1989. These bills, usually offered by the Colorado Trial Lawyers Association, seek to erode the following provisions of the reform package:

- Statutory limits on non-economic damages (known as "pain and suffering");
- Statutory limits on punitive damages;
- Sanctions against plaintiffs' lawyers for frivolous lawsuits; and
- Statutes on "proportional liability," where defendants only pay for the damage they actually cause (CACI strongly opposes any effort to return to the law of "joint and several liability," which was repealed in 1986).

Employment Law Mandates

In general, CACI opposes legislative efforts to impose mandates on a company's relations with its workers because such mandates hinder management's ability to freely deal with its employees and almost always increase the "cost of doing business." Here are just two examples of legislative attempts at such mandates that CACI has successfully opposed and will continue to oppose:

- Bills that would force businesses are required to grant mandatory leave to workers to attend certain school activities of their children; and
- Efforts to erode the right of employers to conduct background checks on job applicants.

In 2003, CACI and the Mountain States Employers Council, which are mutually affiliated, led the charge to update the Colorado Wage Act, which had become sadly outdated over the years. Major provisions of the update include:

- Securing a grace period for employers to correct errors in final paychecks; and
- Giving employers more legal leverage to recover company property.

Environmental Regulations

For many years, CACI has been the state's leading business organization in the arena of state and federal environmental regulation through the three committees of the CACI Environmental Council. Specifically, CACI:

- Supports Colorado's administration of regulatory programs under the Federal Clean Air Act and Clean Water Act, rather than Federal administration of these programs by the U.S. Environmental Protection Agency (EPA); and
- Opposes legislation that would have the outcome of banning an otherwise legitimate business or imposing excessive taxes or requirements that threaten companies' ability to conduct business in Colorado and potentially drive jobs out of the state;
- Opposes bills or resolutions that propose to give local governments the authority, and in some cases the specific direction, to enact environmental laws that are more stringent than or in some other way inconsistent with state regulations promulgated in the areas of air quality and water quality.
- Opposes bills or resolutions giving state regulatory agencies the power to adopt regulations on business that are more stringent than the federal regulations, thereby placing Colorado at a competitive disadvantage with neighboring states; and
- Opposes legislation to aggressively reduce carbon emissions (i.e., "carbon tax," "cap and trade") without an accurate assessment of cost and benefits as well as consideration of technological capabilities for mitigating the impact on carbon-intensive industries, which will have a negative impact by driving up energy costs to all consumers, discouraging economic growth in Colorado and driving jobs to other states.

Illegal Immigration

CACI opposes measures in the Colorado General Assembly that would unduly burden Colorado employers with worker-verification systems that are underfunded or



unworkable. This opposition includes bills requiring businesses to use the Federal “Basic Employer Verification Pilot Program” to determine worker-eligibility status.

In connection with this position, CACI joins the U.S. Chamber of Commerce, with which it is affiliated, in urging Congress to enact comprehensive immigration reform that:

1. Increases border and inland security;
2. Provides an earned pathway to legalization for undocumented workers already contributing to our economy, provided that they are law-abiding and prepared to embrace the obligations and values of our society;
3. Creates a carefully monitored guest- or essential-worker program to fill the growing gaps in America’s workforce recognizing that, in some cases, permanent immigrants will be needed to fill these gaps; and
4. Adequately funds and makes workable any Federal worker-verification systems that employers are required to use.

In addition, CACI opposes bills or amendments that impose civil liability on an employer for the off-duty conduct of any worker who is found to be an illegal immigrant.

Health-Care Benefits Provided by Employers

CACI promotes the benefits of a market-driven health-care system that recognizes that employers voluntarily provide employees with high quality, affordable medical benefits. CACI opposes new governmental mandates on employer-provided health-care benefits that inevitably increase the cost of health-care insurance for Colorado businesses.

While health-insurance premiums rise at double-digit rates, a significant number of Colorado companies struggle to find new, yet affordable, ways to provide health-care coverage for their workers. From CACI’s perspective, a free-market, consumer-driven health-care system is the best way to maximize the number of Coloradans covered by health insurance. Increasing flexibility for employers and minimizing state-imposed mandates and regulations will strengthen the employer-based health-insurance system. Specifically, CACI:

- Opposes measures that require employers to provide health-care coverage for their workers and dependants;
- Opposes measures that mandate additional coverage in commercial insurance policies for certain illnesses or conditions not now required to be included in such policies; and
- Opposes the weakening of ERISA by Congress.

Labor Union Organizing

CACI believes that workers should be free to join a union, but that they should not be compelled to do so. Consequently, CACI opposes measures that seek to repeal or weaken the position of private-sector employers under the Colorado Labor Peace Act.



This 63-year-old Colorado law sets forth a state-government process for “All-Union Agreements” that establish a “union-shop” in a particular business. The state-administered election requires 75 percent of the workers actually voting to support the All-Union Agreement before an employer can be forced to implement it.

CACI also opposes legislative proposals that would prohibit an employer from requiring their workers to attend or participate in a meeting or any other communication where the management expresses their views against a union-organizing effort.

At the Federal Government level, CACI opposes efforts in Congress to allow union organizers to use the “card-check procedure,” rather than the secret ballot now required by the National Labor Relations Act.

Taxes (State and Local)

From CACI’s perspective, the Colorado’s tax system has the following positive characteristics:

- The total state-and-local tax burden on Colorado businesses generally is not excessive;
- Income, sales/use and property taxes contribute equally to total state-and-local tax collections; and
- For businesses, Colorado is a moderate-taxing state.

CACI also sees the negative aspects of the state’s tax system:

- The local business personal property tax discourages capital-intensive businesses, which makes Colorado less competitive to attract and retain these companies when compared to other states;
- Multiple sales-and-use tax jurisdictions at the local government level create inordinate and unnecessary complexity for retailers and draw critical national attention to Colorado;
- Local governments’ reliance on sales tax and commercial property tax contributes to poor growth planning; and
- Although constitutional enactment of tax policy limits state governmental flexibility, it protects businesses from legislation that taxes only businesses when legislators think they need more revenue.

Although CACI has for many years argued for the eventual elimination of the local business personal property tax, CACI also recognizes that the replacement of about \$600 million in business personal property tax revenues received by local governments will require a major overhaul of the complex, interconnected yet contradictory statutory and constitutional parameters of Colorado’s tax system.

Specifically, CACI:

- Supports the elimination, over time, of the onerous local business personal property tax, which discourages capital-intensive businesses, thus making Colorado less competitive in its ability to attract and retain such companies when compared to other states;
- Opposes efforts, whether by legislation or by regulation, of the Colorado Department of Revenue to reduce taxpayer rights during the administrative appeals process;
- Opposes legislation authorizing “contingency-fee audits” for state agencies by non-governmental entities; and
- Supports laws and regulations giving the same rate of interest for the over-payment of taxes as for the under-payment of taxes (CACI therefore opposes legislation that provides for a lower rate of interest for over-payments and a higher rate for under-payments).

Unemployment Insurance

CACI opposes efforts to expand unemployment benefits beyond their original intent of providing a bridge for workers who lose their job due to no fault of their own and are actively seeking re-employment. Specifically, CACI opposes:

- Legislation that would increase unemployment compensation insurance awards, which will impose additional insurance compensation taxes on Colorado businesses;
- A bill to pay unemployment insurance benefits to workers engaged in a labor dispute when there is a “lockout” by management;
- Efforts to establish an “alternative base period” for unemployment insurance.

Workers' Compensation

By the late 1980s, Colorado's business community was increasingly crippled by skyrocketing costs of workers' compensation insurance. In 1991, premiums were projected to increase 38 percent. In that year, CACI marshaled through the legislature a major reform of the state workers' compensation that, since then, has saved businesses hundreds of millions of dollars. The omnibus reform bill, SB 218, included provisions that:

- Increased benefits for more seriously injured workers
- Streamlined the administrative process
- Contained medical costs
- Tightened the definition of "permanent partial disability"

Each legislative session, CACI fights to protect the 1991 reforms, which it believes are fair and balanced, from proposals that would drive up the costs of the workers' compensation system and, ultimately, the insurance premiums paid by businesses, which solely fund the system. In 2003, for example, CACI saved workers' compensation



insurance providers up to \$13 million annually by working to defeat one bill and to pass another.

CACI consistently opposes bills and amendments that would allowed injured workers to select their own physicians or other health-care professionals. CACI also opposes efforts to significantly change the administrative system established by the 1991 reforms that would weaken employers' rights either in favor of the Administrative Law Judges, who hear the claims, or the lawyers for the injured workers.