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January 2005

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## *An Identity Crisis for Organized Labor*

*Special to the Business Insider*

**John Matchulat, Esq., of Baker Donelson Bearman Caldwell & Berkowitz**

The American labor movement has been in a 20-year funk. Union membership is at an all-time low, with just 12.9 percent of the workforce in both public and private sectors belonging to unions in 2003, down from 13.3 percent in 2002. Only 8.2 percent of workers in the private sector were union members in 2003. The alarm has been sounded, and some segments of organized labor are finally answering the call.

In early 2004, presidents of the nation's five largest unions formed an informal alliance dubbed "New Unity Partnership" (NUP). It seeks major changes within the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the membership umbrella for 61 unions. NUP's proposals reflect frustration with the AFL-CIO's inability to advance labor's interests due to what it views as structural deficiencies within it, parochial views and interests of constituent member unions and an entrenched culture with misplaced priorities.

Andrew Stern has been the major advocate for NUP's call for reform. He heads Service Employee's International Union (SEIU), the nation's largest labor union, representing 1.8 million workers in the health care, building services and security industries. Unions in NUP include UNITE HERE, Laborer's International Union of North America, and the Carpenters and Joiners of America.

NUP faults the AFL-CIO for tolerating too many competing member unions with their own individual interests and agendas, and allowing member unions to organize in any industry they choose, without any restriction, coordination, input or oversight from the AFL-CIO or from other unions. Further, as 55 AFL-CIO member unions each represent fewer than 50,000 workers, NUP argues that they independently lack sufficient resources and strength either to organize workers or wield the leverage needed to effectively bargain on the workers' behalf.

The New Unity Partnership envisions a movement having one unified focused strategy to gain strength -- rather than dozens of fragmented approaches. To that end, NUP advocates the need for much larger, though far fewer, unions which can then draw upon combined resources and strengths to develop and implement strategies focused on specific industrial sectors. A related and controversial NUP proposal would authorize the AFL-CIO's executive board to appoint "lead national unions" by industry, craft or employer. The lead unions would be required to organize employees in areas of their strength. In return, the AFL-CIO would rebate one-half the amount of per capita taxes that the lead unions remit. Other contentious proposals include granting authority to the AFL-CIO to consolidate smaller unions into larger ones, and to compel coordinated bargaining. NUP sees unification, through mergers and consolidations, as the blueprint for labor's future and the means to develop bargaining strength and leverage to take on major corporations in the battle for their workers' loyalties.

NUP also seeks every union's total commitment to organizing new members. SEIU and UNITE HERE typically spend over of 50 percent of their budgets on organizing. NUP expects similar support from other AFL-CIO unions. NUP further advocates that the organizing process circumvent the National Labor Relations Board (NLRB), whose election processes are viewed as slow and subject to procedural manipulation. NUP leaders see "card check" and "neutrality agreements" as preferred organizational methods. While card check recognition is currently lawful under the National Labor Relations Act (NLRA), an employer presented with authorization cards may then lawfully refuse to recognize the union, forcing it to petition the NLRB for a secret ballot election. Part and parcel of NUP's preference for card check and neutrality agreements is aggressive corporate campaigns designed to pressure targeted employers into entering these agreements and abandon NLRB processes. NUP also advocates that organized labor embrace the growing pool of illegal and legal foreign

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## A New Year with New Challenges

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### Leadership

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By the time this issue of the *Business Insider* lands on your desk, 2005 will be a reality, your new year's resolutions (if you are like me) will be a disappearing memory and your desk will be filled with things that piled up over the holidays and are beckoning to be done right now. We often get so busy doing what has to be done — and preparing for what is coming, that we forget to realize what all that scurrying around has accomplished. I don't know about you, but sometimes looking back refreshes me for the look ahead and makes all that is looming more manageable and meaningful.

Take a look back for example at our year together. For me, it was my first full calendar year back home in Tennessee, and it felt really, really good. It is amazing that no matter how many years one is away; it takes so little time for the return trip to feel both comfortable and right. From the familiarity of the hills and the seasons to the old and new friends...it is a sense of belonging and a return to where it all began.

For the Tennessee Chamber, it was also a meaningful year. While our collective list of accomplishments are longer that we can print or, quite frankly, longer than you want to read, I would like to share a few that are particularly meaningful to me as we shape our path into the future.

- We can't mention 2004 without talking about workers' compensation reform. It was a huge initiative, an equally large win and a major boost for our state's economy and jobs creation. While the specifics of the bill are something we can all take pride in, there are other factors that are meaningful also. The fact the Governor and his administration, along with House of Representatives and Senate Democrats and Republicans, stepped up to support reform speaks volumes about bi-partisan cooperation and leadership when our state's future is at stake.

- We supported a bill that got scant attention given the stir about workers' compensation, balanced budgets, TennCare and the like, but, like workers' compensation, it too speaks to an understanding of the challenges facing the business community. The new law requires a hard look at current health care mandates and their impact on providing insurance to Tennesseans. Equally important, it requires a look at any proposed mandates in the same light. The legislation demonstrates what we have known for years: Government mandates force the cost of insurance up and force down the number of participants. Once again, we responsibly delivered our message and it was heard.

- Local chambers of commerce became our allies in the workers' compensation battle at a level not seen in years. Our relationship with local chamber is one of partnership; we are not a parent and they are not an affiliate. We are, instead, working equals. Yet we demonstrated last year that a good communications and involvement effort resulted in a strong, positive relationship with more than 60 chambers across the state. We spoke with a unified voice and legislators could not hide behind conflicting and differing messages. We proved — mostly to ourselves — the strength of a unified business community.

- We had an active and successful Chamber committee system this year, with members setting policy, reviewing legislation and making recommendations. We as staff have looked to our volunteers for leadership and expertise. It is a powerful partnership that has made the Chamber stronger and more effective. Our Tax Committee, for example, under the leadership of Andy Wagner of FedEx in Memphis, with Chamber staff, met more than once with the Department of Revenue to review legislative proposals, offer expertise and to identify concerns. It garnered us a great deal of respect from the



## 2005 Officers, Board Members Elected

Christine Karbowskiak, vice president of public affairs at Bridgestone Americas Holding, Inc. in Nashville, was unanimously elected Chair of the Board of Directors of the Tennessee Chamber. She has been a member of the Executive Committee for the past two years and served as Chair-Elect in 2004. Joe Internicola, plant manager of the Dupont - Old Hickory facility was named Chairman-Elect. Crawford Gallimore, chief financial officer of Hamilton-Ryker in Martin, was elected Treasurer, and D. Lynn Johnson, who has served two terms as Chair, became Immediate Past Chair. The 2005 officers and board members were selected at the Tennessee Chamber's member meeting December 14. They assume office January 1.

Ms. Karbowskiak joined Bridgestone/Firestone in 1992 as senior counsel for retail operations, later becoming general counsel-corporate and international and assistant secretary of Bridgestone/Firestone. She was promoted to her current position in 1998. She holds both a law degree and a journalism degree from the University of Illinois.

"Assuming leadership of the Tennessee Chamber is both an honor and a daunting task," Ms. Karbowskiak said. "The Tennessee Chamber has almost 100 years of serving Tennessee businesses and industries and doing it quite well. Our legislative successes last year, particularly with workers' compensation reform but also with other issues and in the judicial arena, set a high level of expectation among our members. It is one that, with their continued involvement and leadership, we will meet.

"Lynn Johnson has led the Chamber through some tough challenges and some amazing successes during his two terms, and I take over leadership of a stronger and better organization as the result of his efforts."

### Members of the 2005 Executive Committee:

Human Resources Committee Chair: Eva Lynne Disbro, McKee Foods

Tax Committee Chair: Andy Wagner, FedEx

Manufacturing Excellence Council Chair: Darrell Corpening, Division Superintendent, Eastman Chemical Company

Public Affairs Committee Chair: Randy Kennedy, Procter & Gamble Company

Environmental Committee Chair: Richard Holland, Packaging Corporation of America

At-Large Members: Tracy Woodard, Nissan North American, Inc. and Jerry Dodds, Brother International Corporation

### New Members of the Board (elected for a three-year term):

Dewayne Baskette, Grooms Engines, Nashville

Dan Brooks, State Farm, Murfreesboro

Miles Burdine, Kingsport Area Chamber of Commerce, Kingsport

Andy Deakins, Young Touchstone, Jackson

Charles Floyd, Weyerhaeuser, Kingsport

Mark Palmeri, Falcon Plastics, Lexington

Chuck Parke, Maytag, Athens

John Van Mol, Dye, Van Mol & Lawrence, Nashville

### Members of the Board Re-elected (to a second three-year term):

James Beard, Caterpillar Financial Services, Nashville

Ron Cooper, Southern Machinery Repair, Union City

Jim Davis, Goodyear Tire & Rubber Company, Union City

Carolyn Hardy, Coors Brewing Co., Memphis

Carter Todd, Gaylord Entertainment, Nashville

Andy Wagner, FedEx, Memphis

Ted Welch, Ted Welch Investments, Nashville

Patsy Williams, Rhyne Lumber, Newport

Tracy Woodard, Nissan North America, Smyrna

James Woroniecki, Denso Manufacturing Tennessee, Inc., Maryville

**March 16, 2005 is the Tennessee Chamber's Annual Membership Meeting and Legislative Reception in Nashville.**

**Corporate sponsorship opportunities are available. Contact Suzie Lusk at 615-256-5141 or at [suzie.lusk@tnchamber.org](mailto:suzie.lusk@tnchamber.org) for details.**

**Contact the Sheraton-Downtown Nashville at 1-800-447-9825 for reservations. Details and a meeting agenda will be posted at [www.tnchamber.org](http://www.tnchamber.org).**



## Year-End Report to Members

*The mission of the Tennessee Chamber of Commerce & Industry is to serve as your voice at the State Capitol while providing you with information, access to policymakers, professional training and the opportunity to help shape Tennessee's future. This Report reflects activities and events undertaken by Tennessee Chamber members, Board of Directors, Committee members, and the staff in 2004 in support of that mission and the 2004 Business Plan. We welcome your comments and appreciate your strong support. Please contact us if we can assist you.*

*D. Lynn Johnson, Immediate Past Chair, Board of Directors*

*Deborah K. Woolley, President*

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## MEMBER SUPPORT

### ADVOCACY

- I. *Develop and work for passage of the annual Business Agenda.*
  - Bills regarding worker's compensation reform and mandated state-conducted cost-benefit analysis of health care mandates were signed into law.
  - The 2004 Agenda guided the Chamber's advocacy efforts on all legislation and regulation affecting business.
- II. *Increase members' understanding and involvement in advocacy, issues and the political process.*
  - Chamber-led "Jobs Coalition" successfully advocated for passage of workers' compensation reform.
  - Policy statements and positions for legislative action were developed by the Chamber's standing committees and approved by the Board of Directors.
  - Chamber member participation on state boards, councils and committees was increased.
  - The development and distribution of effective grassroots messages on all major bills affecting the business community was conducted.
- III. *Influence the state's legislative, regulatory and political climate through a highly visible Business Agenda and monitoring of state policy issues.*
  - Based on the *Business Agenda*, staff tracked 1,500 bills, prepared position statements and directly lobbied 50 bills resulting in the passage of 44 pro-business bills.
  - Staff and members worked together in testifying before legislative committees and state regulatory boards.
  - The Chamber filed amicus curiae ("Friend of the Court") briefs on issues including state taxes, economic development and labor relations.



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- IV. *Identify, develop and use financial resources to support pro-business candidates for state office.*
- The Chamber's Political Action Committee raised a total of \$14,775 in 2004 in personal and PAC-to-PAC donations and distributed \$9,000 to 16 candidates resulting in the election of 15 Chamber PAC-supported candidates.
- V. *Utilize the Chamber's affiliation with the National Association of Manufacturers and the U.S. Chamber of Commerce to influence national legislation and to serve as a conduit of information about federal issues to members.*
- Chamber representatives participated in NAM committee meeting and general meetings during the year.
  - Regional manufacturing roundtable meetings were conducted with members and U.S. Representatives.
  - When needed, contact was made and letters expressing the Chamber's support for key federal-level issues were sent to members of Tennessee's congressional delegation.
  - On behalf of the NAM, the Chamber presented NAM awards to members of Congress.

## COMMUNICATIONS

- I. *Establish the Chamber as the preeminent, unified voice of business in Tennessee.*
- Attendees at the 2004 Annual Meeting and Legislative Reception met with the Governor, cabinet officials and legislators.
  - Chamber staff met regularly with the Governor, cabinet and senior officials advocating on behalf of Chamber members and the business community.
  - The Chamber conducted six regional workers' compensation reform meetings.
- II. *Communicate with members in ways that meet their needs and furthers the Chamber's goals by keeping members up-to-date and informed on business issues and Chamber news and activities.*
- The *Business Insider* newsletter was distributed monthly to all members; the publication now includes articles written by members adding a greater level of expertise on various issues.
  - Members received *Capitol Updates* and *Alerts* with bill status and calls for political action as needed.
  - Member input on legislative issues was solicited at the January Public Affairs Conference, the March Annual Meeting and Legislative Reception, and in a December 2004 survey.
- III. *Effectively communicate our business agenda to external audiences.*
- Chamber staff and members spoke at more than 50 meetings across the state on various business issues.
  - Chamber staff regularly gave media interviews regarding a wide range of business issues.
  - The Chamber is represented as a member of the Governor's "Jobs Cabinet."
- IV. *Market Chamber events, publications, seminars, services, and membership opportunities.*
- Efforts were initiated to insure that all notices of Chamber-sponsored events are professionally done, timely and effective in communicating the message.



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## MEMBER RELATIONS

- I. *To the extent necessary and appropriate, maximize member value and involvement in the Chamber's mission and goals.*
  - Events such as the regional workers' compensation reform meetings provided an opportunity for members to network and participate in political action.
  - Chamber staff assisted the Tennessee Chamber of Commerce Executives (TCCE) and the Tennessee Industrial Development Corporation (TIDC) in planning and organizing their meetings.
  - Twenty-three Chamber-sponsored events for the first half of 2005 are planned.
- II. *Work to help member companies address concerns about workforce availability and preparation.*
  - The Tennessee Scholars program has been implemented in 9 communities (see page 3) with 4 other programs under consideration; presentations were made to about 13,000 junior and senior high school students in 2004.
  - The 2004 Wage and Benefit Survey, was made available to members.
- III. *Provide training through seminars and publications that will enable companies to better operate effectively and profitably.*
  - The Chamber offered more than 50 training seminars and conferences on 11 topics with 1,300 in attendance.
- IV. *Encourage greater member leadership of the Chamber through a viable, open board and committee process.*
  - The Chamber Board of Directors met regularly based on its quarterly schedule.
  - Standing committees met as needed, adopted operating procedures and built membership.
  - Three new officers and 20 Board of Directors members were elected at the December membership meeting.
- V. *Increase Chamber staff visits to member facilities throughout the state.*
  - Members were visited in their communities and their facilities throughout the year to solicit input on business issues and the Chamber's role as their association.

## CHAMBER MANAGEMENT

### MEMBER SERVICES

- I. *Provide new avenues for members to exchange ideas.*
  - The Chamber continues to explore meaningful and cost-efficient ways to allow members to network.
- II. *Serve as a resource and information clearinghouse for members.*
  - On a daily basis, the Chamber identifies services and answer basic questions about laws and regulations for members.



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III. *Work to be sure that all members can take advantage of all member benefits.*

- Chamber members continue to utilize a workers' compensation trust and health insurance opportunities.
- The annual wage and benefit survey is provided at a greatly reduced cost.

## **ADMINISTRATION**

### **STAFFING:**

*Ensure adequate staff levels and competence to achieve the Chamber's goals and mission.*

- The Chamber added a Tennessee Scholars Program director and an accountant.

### **FINANCIAL:**

I. *Increase the Chamber's financial resources to allow the Chamber to meet its goals, accomplish its mission, provide value to members and build for the future.*

- Legal and financial issues concerning the Service Corporation continue to be addressed.
- Service Corporation equipment and fixtures are being evaluated for transfer to the Chamber or disposal.
- The Chamber received a "clean" consolidated financial audit.
- Chamber membership growth and renewal goals were achieved; Cornerstone membership grew.

II. *Maintain information systems and procedures that support the Chamber's mission and provide timely data and accountability regarding the Chamber's financial position.*

- The Chamber's computer equipment and accounting software were upgraded.

III. *Determine and maintain reserves at adequate levels.*

- Reserves remain at the level deemed adequate by the Board of Directors.

IV. *Maintain systems and oversight to satisfy Generally Accepted Accounting Principles (GAAP) and annual audit needs.*

- Staff continues to manage the Chamber's financial operations in accordance with GAAP and the annual audit.

## **PHYSICAL OPERATIONS**

*Ensure that office equipment and systems are adequate so Chamber staff may meet members' needs.*

- The Chamber's computer server was replaced with a unit now providing increased capacities and services.
- The membership database was maintained along with all electronic and hard copy files.
- Staff completed inventories and evaluations of existing furniture and equipment.



## Recognizing Superior Manufacturing

*Special to the Business Insider*

**Bill Nusbaum, University of Tennessee Center for Industrial Services**

The University of Tennessee Center for Industrial Services was recently awarded the exclusive rights to administer a state-level version of the National Shingo Prize for Manufacturing. The Tennessee Chamber of Commerce & Industry will partner with UT/CIS to bring this manufacturing award and business strategy to Tennessee companies.

The prize is named for Japanese industrial engineer Shigeo Shingo who distinguished himself as one of the world's leading experts in improving manufacturing processes. Dr. Shingo has been described as an "engineering genius" that helped create many aspects of the manufacturing practices that comprises the renowned Toyota Production System.

The Shingo Prize Model is an overall systems model that incorporates all aspects of business operations and processes. The model was developed to promote business practices that result in world-class performance and the ability to compete globally.

Prize recipients have produced phenomenal statistics such as reducing set-up times by 1 million minutes per year, achieving inventory turns of 250 per year, and cutting lead times from months to hours, yet they continue to

strive to improve their core manufacturing practices.

In 2003, the North American Shingo Prize Board of Governors elected to spread its message to the state level by sanctioning individual state organizations to administer the criteria of the Shingo Prize. Tennessee is the eighth state to uphold the

Platinum level recipients are encouraged to apply for the national level award. Recipients of the Gold, Silver and Bronze levels are encouraged to reapply to challenge themselves to an even higher level.

A company challenges for the Tennessee Shingo Prize by completing an "Intent to Apply" form with a brief company history, submitting an application fee, and submitting an "Achievement Report" documenting the company's efforts and results. After the Report is reviewed, the challenging company may be recommended for a site visit.

A team of examiners will verify the results of the Achievement Report during a multiple day site visit, after which the examination team may recommend the company for a level of Shingo Prize recognition. Reports are evaluated by members of the examination team against guidelines and scored accordingly.

Go to [www.cis.tennessee.edu](http://www.cis.tennessee.edu) for a copy of the 2005 "Application Guidelines" for further details on the Tennessee Shingo Prize.



traditions set forth by the North American Shingo Prize. Both the North American and Tennessee Shingo Prize highlight the value of using efficient manufacturing practices to become world-class.

The Tennessee Shingo Prize will be awarded at four levels: Platinum, Gold, Silver and Bronze based on a company's achievements. Each level of recognition showcases an increasing achievement of lean implementation.

*Bill Nusbaum of UT's Center for Industrial Services may be contacted at 615-532-4920 or at [bill.nusbaum@tennessee.edu](mailto:bill.nusbaum@tennessee.edu).*



## **Congratulations Scholars Communities!**

**Ruth Woodall**

**Director of Tennessee Scholars Program ★ [ruth.woodall@tnchamber.org](mailto:ruth.woodall@tnchamber.org)**

*“Tennessee Technology Centers support the Tennessee Scholars initiative because our customers in industry know students and employees are more productive when they have a strong background in math, English and the sciences. One would be hard-pressed to find a course that did not require parts if not all the core academic skills in the Tennessee Scholars course of study. We look forward to the day when high school graduates will enroll in our Centers without the need to spend weeks in remedial education courses. Tennessee Scholars is a win-win scenario for students, postsecondary institutions, employers, and taxpayers.”*

*-- Brian Collins, Director, Tennessee Technology Center at Ripley*

As the demand for a highly skilled workforce increases and remediation in college coursework increases, more communities are recognizing the Tennessee Scholars Initiative as a way to help better prepare young people for the workplace. Testimonials from the business community tell us that when business requires a high school transcript with a job application, the quality of job applicants improves. The message that business people give students when presenting the Scholars Program is simple: High school transcripts are the scorecard and the course of study taken by a student along with his or her record of discipline, community service and class attendance is important to getting a good job.” A more rigorous course of study — such as the Scholars Program — is the key to being successful in business and college. Students are encouraged to stretch themselves so they will be better prepared for college, the workforce, technical school or the military when they graduate.

### **School Systems and Chambers of Commerce Implementing the Tennessee Scholars Program**

Knox County (Pilot School District) and the Knoxville Area Chamber Partnership

Sumner County (Pilot School District) and the  
Chambers of Gallatin, Goodlettsville, Hendersonville, Portland, Westmoreland and White House

Dyer County and Dyersburg School Districts and the Dyersburg/Dyer County Chamber of Commerce

Lake County School District and the Reelfoot Chamber of Commerce

Wilson County School District and Lebanon Special School District  
and the Chambers of Lebanon/Wilson County, Mt. Juliet and Watertown

Humboldt City Schools and the Humboldt Chamber of Commerce

Crockett County Schools (Alamo and Bells) and the Crockett County Chamber of Commerce

Bradley County Schools and the Cleveland/Bradley County Chamber

Lawrence County Schools and the Lawrence County Chamber of Commerce



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## Labor's Identity Crisis

national workers in the workforce. With estimates that 9.5 million undocumented foreign nationals now work illegally in the United States, immigrant workers provide virtually unlimited potential to overcome losses of membership incurred in the manufacturing sector.

Stern further urges that the AFL-CIO partner with unions in other countries to win global agreements with multinational corporations. Stern has also called on the AFL-CIO to undertake a global campaign against Wal-Mart which he cites as the foremost example of huge corporations' ability to dictate working conditions and depress pay and benefits throughout the world. Finally, NUP advocates labor's use of internet-based initiatives to draw strength by connecting with millions of supportive non-union workers who nonetheless wish to become involved.

Stern has been pushing hard for immediate action on reform. Shortly after the November 2004 election, he urged AFL-CIO President John Sweeney to promptly appoint a committee of presidents of the largest unions to study and develop their own proposals to build strength and unity for workers. Sweeney obliged, moving up meetings to address reform from July to February 2005.

While NUP's call to action has been heard and heeded by many members of the AFL-CIO, other unions have responded with staunch resistance and personal attacks on Stern. For example, Edward C. Sullivan, president of the Federation's Building and Construction Trades Department responds, "We neither need nor want advice from self-appointed labor 'gurus' who couldn't tell a spud wrench from a paint brush." In like fashion, Michael J. Gannon, vice president of Operative Plasterers and Cement Workers, posits, "We won't let any imperialistic dictatorial individuals or their unions mess with our autonomy." NUP and Stern will undoubtedly confront much more flak and inertia from various AFL-CIO unions unwilling to consider the disruption and uncertainty of change.

*John Matchulat, Esq., of Baker Donelson Bearman Caldwell & Berkowitz may be contacted at 615-726-5685 or at [jmatchulat@bakerdonelson.com](mailto:jmatchulat@bakerdonelson.com).*

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## New Year, New Challenges

Department and provided us with a level of expertise we did not have. The same scenario has played out with the environment, human resources and committees in other areas.

- It also carried over into the November elections. The Chamber's Political Action Subcommittee worked closely with the Chamber staff to raise money and then decided on Chamber contributions...again, ensuring that our members are setting the policy that we, as the staff, will implement.

- Our *Business Agenda* for 2005 — that proactive legislative agenda that reflects the needs of the business community -- is being driven by input from business people across the state. Not only have we met with Tennessee Chamber and local chamber groups to get input, we have sent a survey to our members asking for their input. Too often, the issues that get discussed as being important in Nashville are not the issues impacting you as you run businesses that provide jobs and drive the economy.

The list could go on and on as we constantly seek to improve what we do and how we do it. We must provide a positive return on your membership investment, and we must do it in a way that makes you proud to associate your company with us. There is always room to grow...and there is always room to improve...and I am sure the new year will provide us plenty of opportunities for both. As I have said so many times before, the greatest weakness we have in the business community is that we often don't know our own strength. When we work together, that strength is evident and productive. *Happy New Year!*



## Air Quality to Dominate Environmental Issues in 2005

Wayne K. Scharber

Vice President for Environmental Issues ★ [wayne.scharber@tnchamber.org](mailto:wayne.scharber@tnchamber.org)

From all present indications, air issues may dominate environmental activities in 2005. The recent designations for ozone non-attainments and the Early Action Compacts (EAC) deferred designations will impact industry and the public.

The regulatory activities will likely include reduced speed limits for truckers and automobiles. The state Department of Transportation has the responsibility to set speed limits, and has indicated it will consider reducing the speed limits but is not likely to set different speeds for trucks than those for cars.

The final PM2.5 designations have been announced and include Hamilton, Knox, Blount, Loudon, Anderson and a portion of Roane counties. McMinn County was listed as unclassifiable. There may be some additional attempts by the state to reduce these designations; however, some, if not all, will be in the final designations for non-attainment and therefore subject to sanctions for growth and new industrial sitings. While the U.S. EPA has yet to make available the final guidance for PM2.5 compliance, there is discussion underway concerning further reduced standards for these emissions.

New Source Review (NSR) rulemaking is now a scheduled reality. Notice of Public Hearings for rulemaking will be published in the January 15, 2005, issue of the Tennessee Administrative Register. The Chamber has been educating its members and those businesses with environmental and health concerns about the NSR process. Many of you responded last year to the

extraordinary local “public meetings process” requested by the TDEC Commissioner and Air Pollution Control Board.

We are now asking you to attend the public hearings in February and make comments regarding the state’s proposed language or any necessary alternative language. (The state must submit to the EPA a SIP revision or justification of equivalency or better for existing NSR rules by January 2006.) The Chamber believes the state’s language needs to be changed to match the federal language — to give Tennessee manufacturers the certainty and equality of compliance to other surrounding states and not have industry here held to an uncompetitive disadvantage.

TDEC has also responded to the Chamber’s request to review the Groundwater Classification rules of the Water Quality Control Board. The Chamber’s Remediation and Water Subcommittees will be meeting to determine how the state’s latest proposed rule language will allow for cleanup advancement. The Department’s concept is to allow each remediation program the flexibility to clean property while protecting groundwater. The first Chamber subcommittee meeting is January 13.

Changes to the Petroleum Underground Storage Tank (UST) program will result in higher costs for participants. The current fund balance, required by federal and state law to provide financial assurance for tank owners, is insufficient to meet the state’s projected need to address site

contaminations. Legislation may be proposed by the Department to provide a further short-term fix; a permanent fix may include a product tax increase from the current four-tenths of a cent per gallon charge.

During the recent Governor’s departmental budget hearings, Governor Bredesen asked TDEC Commissioner Betsy Child to determine what other states were doing to fully fund regulatory programs with permit fees. Tennessee’s environmental programs have a history of doing many things for the public’s benefit and for the investigation of complaints that is well beyond permit holders’ responsibility. The state law was changed to provide new permit fees to assure improved and added staffing and services for the regulated permit holders. The changes did not propose that these fees were to pay for basic public health and safety programs. Chamber members need to be prepared in 2005 to help identify variations in costs for permits in Tennessee from the same permits in other states.

Lastly, with the Governor’s administration now in place for two years, there is discussion of reorganization within the Department. The potential for some new reorganization is real for the coming year. The Chamber and its members will be prepared to deal with any changes — in the Department well as in state and federal regulation and legislation — that may be detrimental to the businesses community of Tennessee.

# Calendar

## Match Up Your Business at March Event

Large and small businesses will have a unique opportunity to “match up” their needs at the Southern Regional Business Matchmaking Event in Nashville March 23-24, 2005. A project of the U.S. Small Business Administration (SBA) and the Hewlett-Packard (HP) Small Business Foundation, a non-profit subsidiary of HP, *Business Matchmaking* is a public-private sector contracting initiative that works by matching small companies with government agencies and private sector corporations. The small business and the buyer then have a chance to meet one-on-one or via phone and negotiate a business deal for potential contracts.

Prior to each matchmaking event, a half-day educational workshop is held, preparing the small business owner for success in the meetings. *Business Matchmaking* also provides 15 minute appointments for small businesses to speak with a procurement specialist about federal, state, and local government and private business procurement contract opportunities. In each region, small business owners will have pre-scheduled, individual appointments with buyers from government agencies and private companies.

Before the March 23 event, small business owners and buyers will complete online profiles to provide information on what each has to offer. Based on the matchmaking system, the best-possible matches are created, appointments are set and parties are notified. For more information, visit [www.businessmatchmaking.com](http://www.businessmatchmaking.com).

### Dates to Remember in 2005

January 11	Tennessee's 104th General Assembly Convenes for Organizational Session
January 31	General Assembly Returns After Recess for Standard Session
February 7	Tennessee Chamber's Public Affairs Conference
March 16	Meeting of Chamber's Environment, Taxation and Human Resources Committees
March 16	Tennessee Chamber's Annual Meeting and Legislative Reception
March 17	Meeting of Tennessee Chamber's Executive Committee and Board of Directors
March 17	Chamber Hosts Chemical Committee and American Chemical Society Workshop



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