

Iowa Chamber Alliance

2016 Federal Policy Priorities

**Economic Growth
and Opportunity Agenda**

The background of the page features a stylized American flag with red, white, and blue wavy stripes. In the lower right, there is a faint, blue-tinted graphic of the United States Capitol building. A solid red vertical bar runs along the left edge of the page.



Federal Issues

The Alliance prioritized the following areas under the purview of the federal government that ranks as most critical to Iowa's economy. These policy priorities are at the forefront for Iowa businesses and the economic development community and will shape the future course and condition of the state's business environment and investments.


The Alliance urges the Iowa congressional delegation to support and work to advance issues that will improve and foster a positive business climate for economic growth and innovation, manufacturing and workforce education and training, as well as elevate free trade with Iowa's global trading partners. The Alliance will promote the principles and advocate for outcomes embodied in this policy blueprint.

- **Federal Budget Policy and Tax Reform**
- **Federal Regulation**
- **Workforce Development and Education**
- **Transportation, Infrastructure and Broadband**
- **Research and Development**
- **Energy and the Environment**
- **International Trade**
- **Flood Relief**

Federal Budget Policy and Tax Reform

The key underpinning of a strong, vibrant economy is a low debt-to-income ratio. As the appropriations arm of the federal government, Congress must address the nation's overarching fiscal problem: the continued rise of the debt burden.* A return to a more predictable, reliable appropriations process is strongly urged to curb the now commonplace use of stop-gap measures such as continuing resolutions, budget sequestration and looming threats to shutdown government.

The Alliance strongly opposes the growing debt and the pattern of federal spending that far exceeds revenue. Debt as a percentage of the US gross domestic product (GDP) continues to rise at an alarming rate and is now 74 percent. By 2025, projections indicate debt will rise to 77 percent of GDP.** This staggering debt results in an overall slow down of the economy and stymies growth. By 2050, the US Chamber of Commerce asserts that interest costs on the debt alone amount to more than four times what the federal government has historically spent on education, research & development, and infrastructure – combined.



By 2025, projections indicate debt will rise to 77 percent of GDP.**

[**Congressional Budget Office](#)

We strongly urge Congress to adjust federal spending in relation to GDP and reform entitlement program spending in order to sustain solvency of our general fund and foster overall economic growth.

On the revenue side, the Alliance supports comprehensive tax reform that modernizes complex US tax code as a way to increase American global competitiveness, promote innovation and drive our economy forward. Families and businesses both benefit from a more fair and simple set of tax rules and lower rates. Reform measures should encourage capital investment and provide equal treatment across all industries.

[*Congressional Budget Office](#)

[**Congressional Budget Office](#)

Federal Regulation



Manufacturers and businesses, small and large, agree that the primary impediment to job growth, access to capital, and innovation is the consistent expansion of regulations. In all regulatory matters, the Alliance encourages the consideration of only necessary regulations, a high-level of transparency, and cost-benefit analysis prior to rule promulgation in order to better ascertain the cost to business owners.

Workforce Development and Education

Workforce Innovation & Opportunity Act

The Workforce Innovation & Opportunity Act (WIOA) of 2014 ushered in a new era of cooperation with the business community while overhauling long, outdated workforce policy. The centerpiece of WIOA is aimed at connecting workforce strategy with economic development strategy. Specifically, WIOA aligned core federal programs to help workers acquire skills and credentials sought by employers to fill jobs, as well as assist employers in finding and investing in workers with the necessary skills that are sought by the marketplace.


WIOA's regulatory phase must be in keeping with the spirit and intent of the legislation — to foster the creation of an employable workforce that takes into account the emerging skills and education required to meet the needs of the 21st Century. Expected in early 2016, final rulemaking should be conducted with meaningful stakeholder input and collaboration throughout the process.*

The Alliance also recommends support for WIOA provisions and providing the necessary resources for the Iowa Workforce Development Department and Iowa Economic Development Authority to devise and execute labor and economic development programs that make the most sense for Iowa.

Immigration Reform

Iowa has a long, storied past of welcoming immigrants who contribute to the economy, academics, politics, culture and society. Throughout history, immigrants have helped shape the modern day US economy and currently comprise a growing segment of Iowa's workforce.

The Alliance supports increased opportunities for a skilled workforce and immigrant entrepreneurs balanced with needed reforms to modernize the E-verify system that assists employers in determining employment eligibility and complying with state and federal laws. Other reform priorities include streamlining the processes for highly skilled workers, raising the cap on H1-B visas, improving international student retention through use of work visas, and allowing employers to recruit immigrant workers to fill labor needs as shortage arises.



Of total business income in the United States, 12% is generated by immigrant business owners.**

[**Small Business Administration](#)

Equally important are the entrepreneurial immigrants who continue to start up new businesses at a higher rate than non-immigrants and create jobs as a result. Of total business income in the United States, 12 percent is generated by immigrant business owners.**

[* US Department of Labor](#)

[**Small Business Administration](#)

Transportation, Infrastructure and Broadband

In recent years, general fund transfers to the Highway Trust Fund have become commonplace and necessary to continue highway and transit programs due to diminished fuel tax revenue. Federal funding for all transportation modes are woefully inadequate, and the outdated dedicated trust fund model has proven unable to fully address new capacity and existing maintenance needs.

On the highway side, Iowa needs a predictable funding stream in order to design, build, operate and maintain existing and future infrastructure. In recent years, and absent a federal gas tax increase, federal reauthorization bills presented states with new flexibilities and innovative finance options for states to leverage limited funding resources and optimize existing federal-aid highway funding.

The Alliance believes Congress must address the recurring revenue short falls in the highway trust fund and urges the consideration of all new mechanisms that will enable states to finance, plan and build projects necessary for Iowa to compete in the global marketplace.

The Alliance urges Congress to take a long-range approach when reauthorizing the Federal Aviation Administration (FAA) to modernize the nation's aviation system and reform policies. Throughout Iowa, economic growth of rural and mid to small communities counts on aviation programs such as the Airport Improvement Program, Essential Air Service (EAS) and Small Community Air Service Development grants.

According to a recent Iowa DOT report,* aviation holds an \$18.4 billion economic impact for Iowa. Additionally, the third most important factor for a major employer selecting a location is a nearby airport. Any onerous changes to or loss of these critical programs will result in adverse effects for many rural and regional airports. The Alliance also recommends that Congress reconsider the 1,500 hour minimum flight time rule and install an evidence-based method of balancing safety with access to reliable and sustainable air service that is most needed by our rural areas.

[* IA DOT: Commercial Air Service Retention and Enhancement Committee](#)



Iowa's export-bound products must reach major ports on both coasts in real-time to better vie for customers overseas, and freight mobility and operations are directly impacted by the efficiency of our highways, rail and inland waterways. The Alliance urges continued work to institute a national freight mobility plan to improve system-wide performance for the efficient movement of people and freight, as well as prioritizing the importance of commerce conducted via the inland waterway system and flood protection when authorizing or funding the Water Resources Reform and Development Act.

In communications infrastructure, the Iowa Chamber Alliance supports the modernization of the Telecom Act of 1996 to update federal law for the Internet Age. The Act gives scant attention to the Internet and no mention of "broadband" or "high speed" Internet. Future iterations of federal communications policy must offer a "light touch" regulatory model that encourages private sector investment in U.S. broadband infrastructure by embracing free markets and competition and recognizing that rules and regulations have a difficult time keeping up with fast evolving technology. Further, treatment of a dynamic and elaborate market-driven system under the principles of a "public utility" or "common carrier" will discourage the private sector investment in the broadband network the U.S. needs to compete globally.

Research and Development

Compared with other countries, federal investment in research and development for advanced manufacturing, industrial production and technology to improve efficiencies is weaker and has resulted in deindustrialization and diminished competitiveness. Major technological innovations have resulted when federal resources, combined with private sector funding, were applied.* The collaboration between industry, academia and the federal government are necessary to convene stakeholders to expand R&D, support manufacturers and train a 21st century science-based workforce.

The Alliance urges the federal government and agencies such as the National Institute of Standards and Technology to promote policies that boost research and development in the sciences and emphasize the importance of workforce training to keep pace with innovation on the world stage.

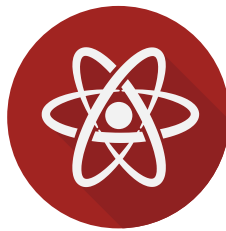
[* The Information Technology & Innovation Foundation](#)



Major technological innovations have resulted when federal resources, combined with private sector funding, were applied.*

Energy and the Environment

The Iowa Chamber Alliance supports a comprehensive energy plan that anticipates our country's current and future energy supply and demand. The existing sources of coal, oil and gas are an important part of the energy equation. Technology must continue to be researched and implemented to reduce the impact of these resources on the environment. Our nation's long-range, comprehensive energy plan should also promote the expansion of renewable and alternative energies such as bio-based fuels, wind and solar, as well as consider nuclear energy as a component toward the quest for adequate and clean energy.



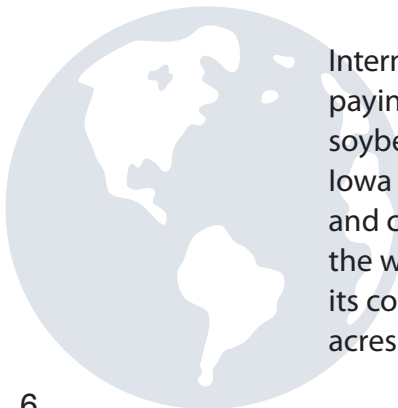
The Chamber supports the Renewable Fuels Standard (RFS) and its preservation as a valuable federal policy to power Iowa's agriculture-based economy. The RFS also gives consumers a choice at the fuel pump and alleviates our dependency on foreign sources of oil.

Congress must create a balanced environment for investments in all types of renewables that ultimately results in enhanced innovation and a diversified domestic energy and biomaterials portfolio to reduce greenhouse gas emissions. Promising research and next-generation technologies designed to advance alternative energy production should be supported by way of program incentives and tax credits.

The Alliance strongly urges that all regulatory proposals to alter existing environmental statutes, such as the Clean Air Act, the Clean Water Act, the Endangered Species Act, and the National Environmental Policy Act, be evaluated and weighed against economic impacts and job losses, as is currently required under major environmental laws.*

* [US Chamber of Commerce](#)

International Trade



International trade is significant for Iowa's economic growth and generates higher-paying jobs for our capable workforce. Iowa is ranked first in the nation for corn, soybean, feed grain and pork, and second for overall value of agricultural exports.* Iowa companies and farming operations depend on fair access to foreign markets and competition on a level playing field. Overseas markets account for 80 percent of the world's purchasing power; 92 percent of its economic growth; and 95 percent of its consumers. Foreign trade supports 38 million American jobs, and one in three acres of American farms is planted for export.**

For these reasons, the Alliance strongly encourages free trade agreements that create a robust, healthy economic environment for international commerce; eliminate trade barriers abroad; and ensure that markets at home remain open. Businesses must continue to fight isolationist practices. Long-term Trade Promotion Authority is imperative to move forward with new trade agreements that remove market barriers and allow businesses, workforce, agricultural and commodities sectors, and services to fairly compete globally.

[* Source: U.S. Department of Agriculture](#)

[**Source: US Chamber of Commerce](#)



Foreign trade supports 38 million American jobs, and one in three acres of American farms is planted for export.**

[** US Chamber of Commerce](#)

Flood Relief

National Flood Insurance Reform

Flooding throughout the Midwest region, and notably in Iowa, which is flanked by the Missouri and Mississippi Rivers on each side, is becoming more frequent and devastating. The National Science Foundation, in concert with researchers at the University of Iowa, concludes that a larger number of major floods are occurring due to changes in rainfall, temperature and spring snowmelts.*

Contrast these findings with the Biggert-Waters Flood Insurance Reform Act that was designed to eliminate government flood insurance assistance and stabilize the National Flood Insurance Program (NFIP). If implemented, property owners in the floodplain would be negatively impacted, significant increases in insurance premiums would occur and flood property buyouts would be stalled.

The Alliance asks that a delay on implementation of the Act be considered to aid property owners and allow time for an affordability study to consider the development of alternatives such as the flood property buyout program for multiple loss properties and other innovative programs. The Iowa Chamber Alliance supports a flood insurance program that is affordable for businesses and homeowners, which is balanced with NFIP resources. Any flood program should respect property owners who built according to code and followed all applicable laws.

[* National Science Foundation](#)

About the Iowa Chamber Alliance

The Iowa Chamber Alliance is a non-partisan coalition that represents the 16 largest Chambers of Commerce and economic development organizations throughout Iowa.

Mission

The mission of the Iowa Chamber Alliance is to put forth and enact an agenda to grow the state's economy through support of proactive programs that stimulate economic growth opportunities for the entire state and its residents.

Guiding Principles

- We believe that by working together we can create significant, positive changes that will prepare Iowa for the future and ensure a high quality of life for its citizens.
- We believe Iowa needs strategic, aggressive, forward-thinking statewide policies and programs that stimulate strong economic growth, resulting in additional jobs and increased state and local revenues.
- We support:
 - Long-term statewide policies and programs that provide reliable economic development tools for encouraging business relocation, expansion and entrepreneurship in Iowa communities.
 - A regulatory and tax climate conducive to making Iowa the most competitive state in the nation for attracting business expansion opportunities and fostering the growth of new and existing businesses.
 - An ongoing funding mechanism for building infrastructure and amenities that improve the quality of life in Iowa communities.
 - Streamlined governments at all levels that are efficient, cost-effective and responsive to business needs by finding ways to use tax dollars more wisely while improving services.
 - A long-term marketing plan that promotes Iowa's positive distinguishing attributes to both internal and external audiences, positioning Iowa as the location of choice for operating a business, living and traveling.

ICA Membership

- Ames Chamber of Commerce
- Cedar Rapids Metro Economic Alliance
- Council Bluffs Area Chamber of Commerce
- Dubuque Area Chamber of Commerce & Tourism
- Greater Burlington Partnership
- Greater Cedar Valley Alliance & Chamber
- Greater Des Moines Partnership
- Greater Fort Dodge Growth Alliance
- Greater Muscatine Chamber of Commerce & Industry
- Iowa City Area Chamber of Commerce
- Marshalltown Area Chamber of Commerce
- Mason City Chamber of Commerce
- North Iowa Corridor Economic Development Corp.
- Quad Cities Chamber of Commerce
- Siouxland Chamber of Commerce