



## GREATER MANCHESTER CHAMBER OF COMMERCE

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### SPONSOR INSIGHT:

Education funding again dominated legislative discussions this week.

The bill, Constitutional Amendment Concurrent Resolution (CACR) 34 is co-sponsored by Senate Democratic Leader Joseph Foster from Nashua and Republican Leader Ted Gatsas of Manchester. The purpose of the bill is to require the general court to define an adequate education and distribute State funds for public education in a manner that alleviates local disparities.

But just what does this CACR say? If the bill passes we will all have to vote on whether or not to change our State constitution. That's pretty heady stuff but our focus at the polls will be mostly on just fifty words: "In fulfillment of the State's duties set forth in the preceding article, the general court shall have the authority and responsibility to reasonably define the content of an adequate public education and to distribute State funds for public education in the manner that it reasonably determines to alleviate local disparities." Now the actual language may change by the time it gets to we voters and it will continue to be our responsibility to know what the outcomes of such a change would mean to us as citizens and taxpayers.

Opponents of the bill argue the amendment is unnecessary as, in their opinion, the State can already target aid to school districts once it covers the costs of education for each student. Those in opposition to the bill include members of the School Administrators Association, NEA-NH and the State School Boards Association.

After supportive testimony by Governor Lynch, members of both political parties and members of the business community, the Senate Judiciary committee, with a 3 – 2 vote recommended the bill pass. Senators Foster, D-Nashua; Sen. David Gottesman, D-Nashua; and Sen. Deborah Reynolds, d-Plymouth voted on the prevailing side with Sen. Bob Clegg, R-Hudson and Sen. Robert Letourneau, R- Derry voting in the minority.

The full Senate could take up the bill as early as next week and if it passes the bill will travel to the House for more hearings, possible changes and voting.

### **Other happenings around the State House this past week.**

The House met this past Wednesday in a storm related, lightly attended, abbreviated session and put off until March 5, votes on another constitutional amendment (CACR 24) prohibiting any new tax on personal income and HB 1373 that would establish an income tax.

Both bills come to the floor with committee recommendations of inexpedient to legislate.

In House committee work, hearings on HB 1434 pertaining to a Regional Greenhouse Gas Initiative continued with heavy attendance. This bill is relative to the regional greenhouse gas initiative and authorizing cap-and-trade programs for controlling carbon dioxide emissions.

The House Science, Technology and Energy Committee is expected to take a committee vote next week. If the House accepts the committee recommendation it will be off to the Senate for even more hearings.

There is wide spread support for the concept of the bill but there is also much discussion surrounding the auction of the emission credits, who gets those credits, who ultimately pays for those credits and to where and whom does the money from the sale of the credits go?

Thursday, the State Senate passed several bills including SB 355 that will allow a person who is a New Hampshire resident, who is under 25 years of age, and who enrolls in the University of New Hampshire, Plymouth State University, or Keene State College shall receive a scholarship of \$2,500 per year for the purpose of contributing to the payment of room and board, rent, books, and supplies for a maximum of 4 years of attendance at such institution if he or she is the child of a firefighter or police officer who died while in performance of his or her duties.

In other action, charter schools may soon come to be known as “innovative public schools” as the Senate passed SB 418.

Both Senate bills will now head to the House for action there.

#### **Erle Pierce**

Pierce Public Affairs, LLC

[epierce@sheehan.com](mailto:epierce@sheehan.com)

### **CHAMBER INSIGHT:**

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#### **RGGI and what it means for the Business Community**

The issue of climate change and reduction of green house gas emissions has been a hot topic on the Presidential campaign trail and in Washington for some time. Going “green” has even become a major topic locally here in the Greater Manchester area. Last year an innocent email to Chamber members asking about their interest in forming a Green committee elicited over 500 responses from throughout the business community. The Chamber’s Green Committee now boasts over a hundred members, meets on a regular basis, and is planning “That Green Thing” – a first of its kind Green symposium and exhibition.

Environmental issues are no stranger to Concord either as the legislature will consider several important environmental proposals this session. One proposal of great importance this session is RGGI, or the Regional Greenhouse Gas Initiative. RGGI is a regional program that seeks to reduce the amount of carbon dioxide (CO<sub>2</sub>) emissions from the state's fossil fuel plants. RGGI accomplishes this by creating a cap emissions program where plants will need to buy CO<sub>2</sub> allowances at a regional auction. Purchasing an allowance will then allow each plant to emit a certain amount of CO<sub>2</sub> each year. Governor Lynch signed a memorandum in 2005 entering New Hampshire into RGGI and it is now up to the Legislature to approve legislation that will actually implement RGGI.

I think we all can agree that protecting New Hampshire's natural resources and environment is something that all citizens value greatly. To that end, the goal of RGGI is certainly laudable. The legislature, however, in considering this issue must consider how RGGI will impact the economic health and vitality of New Hampshire businesses. The cost of energy, particularly with a slowing economy, is a growing concern among New Hampshire manufacturers and high technology companies. If the provisions of RGGI will lead to higher energy rates for New Hampshire companies, it should give the legislature pause. With today's global economy, New Hampshire jobs can easily migrate overseas if the cost of doing business here continues to rise. As always, the legislature must be mindful of the "unintended consequences" RGGI may have.

Specifically, the legislature must look closely at the structure of the regional auction responsible for distributing the CO<sub>2</sub> allowances to power plants. For example, who should be allowed to participate in these regional auctions? Currently, HB 1434 (RGGI enabling legislation), allows open participation in these regional auctions. This will pit power generators against non-generators in bidding for a limited number of allowances. What then will open participation do to the cost these allowances? Higher bids for allowances will mean higher operating costs for plants which in turn will lead to higher energy prices for all. In response to this concern the State Department of Environmental Services has crafted an amendment that will provide certain price protection measures, however it has not been officially added to HB 1434 yet.

The GMCC has not established a position on RGGI and HB1434 yet, however we are closely monitoring its progress. The House Science, Technology, and Energy committee continues to hold work sessions on the bill and will soon make a recommendation to the full House. The GMCC will ask lawmakers to consider both the intended and unintended consequences RGGI may have. Protecting New Hampshire's environment is certainly a common goal for all citizens. Lawmakers, however, must ensure that policies protecting the environment are fair and equitable to all citizens, including New Hampshire businesses.

As always, please feel free to contact the Chamber with any questions. Remember, the GMCC is here to be your business advocate and your voice in Concord. In order for us to do so effectively, we need feedback from you! Please direct any questions to [michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org) or call (603) 792-4107.

**Michael Skelton**

Greater Manchester Chamber of Commerce

[michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org)

**EYE ON POLITICS:** 

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**EDITORIAL TEAM:** 

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**Brad Cook**

Sheehan, Phinney, Bass, + Green, P.A.

[bcook@sheehan.com](mailto:bcook@sheehan.com)

**Bruce Berke**

Sheehan Phinney Capitol Group

[bberke@sheehan.com](mailto:bberke@sheehan.com)

**Valerie Acres**

Sheehan Phinney Capitol Group

[vacres@sheehan.com](mailto:vacres@sheehan.com)

**Henry Veilleux**

Sheehan Phinney Capitol Group

[hveilleux@sheehan.com](mailto:hveilleux@sheehan.com)

**Liz Murphy**

Sheehan Phinney Capitol Group

[lmurphy@sheehan.com](mailto:lmurphy@sheehan.com)

**Erle Pierce**

Pierce Public Affairs, LLC

[epierce@sheehan.com](mailto:epierce@sheehan.com)

**Michael Skelton**

Greater Manchester Chamber of Commerce

889 Elm Street , Third Floor

Manchester , New Hampshire 03101

[michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org)

603-666-6600 ext. 107