



2012 STRATEGIC OBJECTIVES

To ensure that business succeeds and thrives in the Bay Area, the Bay Area Chamber of Commerce (BACC) is committed to the following priorities:

Create a Strong Local Economy

Work with our governmental and non-governmental agency partners to develop relationships and foster cooperation between agencies and the business community. This will encourage a positive and responsible climate for economic development.

- Support the retention and growth of existing local business.
- Support family wage jobs and businesses that create those jobs.
- Streamline state and local permitting processes.
- Support education.
- Focus on tourism.
- Support and facilitate new businesses wanting to relocate to the Bay Area.

Promote the Community

- Promote Oregon's Adventure Coast.
- Collaborate with other agencies on product/area "branding".
- Provide web site links from The Chamber to other organizations.
- Promote the Bay Area as a convention destination.
- Support the area's visitor centers.
- Promote a positive area marketing message both internally and externally.

Provide Networking Opportunities

- The Chamber is the hub for information for business & the community.
- Continue to hold *New Member Reception/Trade Shows* quarterly.
- Continue the *Business After Hours* program.
- Provide time at each *Wednesday Business Connection/WBC* for members to network.

Represent Business Issues

- Advocate for business issues at all levels of government.
- Strengthen lobbying efforts with state government.
- Continue to plan for and create a Political Action Committee.
- Research and take positions on the issues affecting our business community.
- Utilize the BACC website to develop & promote our Business Advocacy effort.

2012 KEY ISSUES

In an effort to provide a clear, consistent message, The Bay Area Chamber of Commerce is outlining their position on each of the important topics below. These positions are guided by the four Strategic Objectives on Page 1.

Economic Development

The Chamber objectives include the goals to enhance and diversify the region's economy through its support of new and existing businesses, and improve the business climate in the communities it serves.

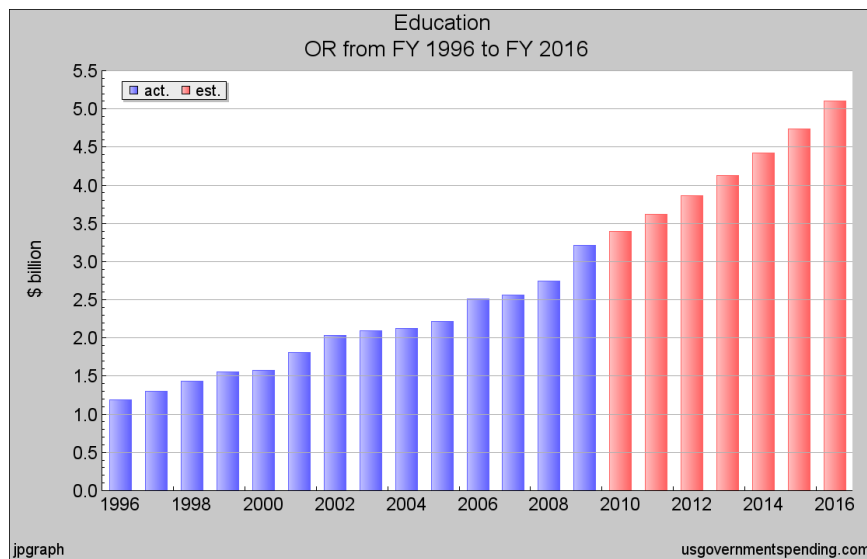
While the market-based decisions of private industry are the primary driver of economic development, the Chamber has a vital role to play in facilitating its success in our area. This role includes support of:

- An adequate program of infrastructure development and maintenance.
- The development of a strong, vibrant and educated workforce.
- A consistent and reasonable regulatory environment.

The Chamber is committed to working with other local, regional and statewide partners to coordinate economic development efforts for the benefit of its members and its communities.

The Chamber also serves as an active and vocal proponent for economic development at the city, county, state and national level. The Chamber's advocacy of economic development initiatives and policies includes not only proactive efforts to promote development, but also active opposition to legislation or regulation that hinders development and business success.

Education



Total Oregon State & Local Spend on Education – Actual (blue) and Projected (red)

A well-educated and well-trained workforce is the necessary precursor to a healthy economy and vibrant community. The Chamber supports excellence in education at all levels in both the public and private sectors and embraces the importance of lifelong learning. Not only is education vital to the development of a skilled workforce that can innovate and adapt to changing economic times, but it is equally critical to a strong and democratic society.

Our state education system also has a vital role to play in addressing social issues, and the Chamber is supportive of efforts to diminish dropout rates, welfare costs, substance abuse and the spread of communicable and infectious disease. The Chamber has been and will continue to be a strong advocate of efforts to educate people about the dangers of substance abuse, both in the workplace and in the community in general, and the importance of securing a good education.

Because the public education system is ultimately responsible to the taxpayers who fund it, the Chamber advocates strong communication and a high level of accountability between public institutions and the local communities they serve. The Chamber will also advocate on behalf of local institutions at the state and federal level to help ensure that our region receives an equitable and ample level of state and federal funding.

Funding proposals for public education will be assessed on a case-by-case basis. The Chamber will support those efforts that demonstrate a high level of measurable benefit, significant community support and prudent financial management. Preference will also be given to education enhancement efforts that most directly support workforce development and are developed with significant input from the Chamber and the business community.

Based upon numbers provided by the Oregon Department of Education, eighty cents (.80) of every education budget dollar goes to salaries and benefits, leaving only twenty cents to cover a myriad of additional expenses. If Oregon is to attract more outside investment and jobs, it must deliver an educated workforce that ranks among the best in the nation. In every challenge there is opportunity, and the Chamber believes that the new economy and looming education budget challenges should be viewed as an opportunity for change. The Chamber is ready and willing to assist our local school boards in framing a new and progressive education model that not only addresses unavoidable economic challenges, but also creates an environment for success and improved student performance.

The Chamber encourages educational institutions to draw upon the resources and expertise of the business community, and the Chamber in particular, in developing dynamic and successful educational programs. The Chamber will continue to facilitate partnerships between business and the educational system that benefit our local economy and the community.

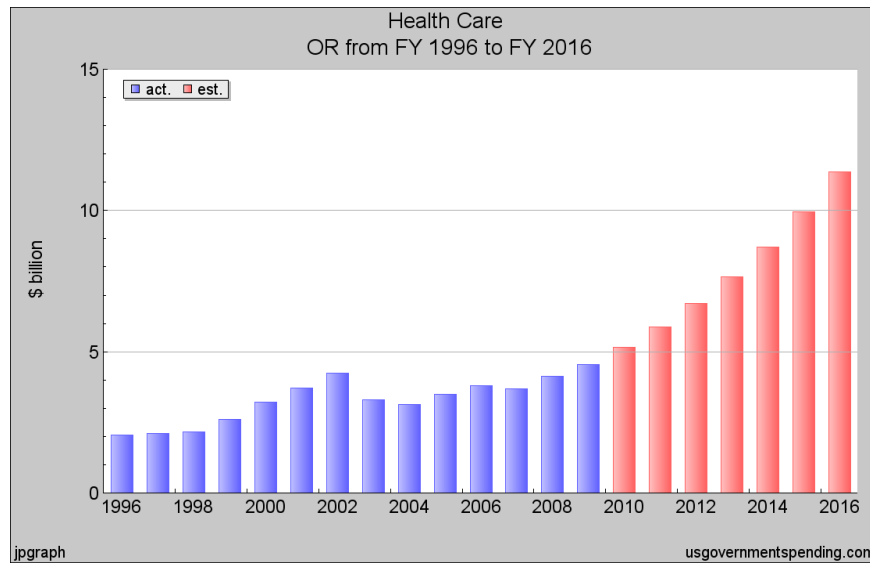
Government Regulations

The Chamber's effort to represent business issues engages all levels of government-- city, county, state and federal. The Chamber seeks to facilitate cooperative efforts amongst all levels of government for the benefit of the local economy and the business community.

Elected and appointed government officials must be responsive -- and responsible -- to those they represent. The Chamber will play an active role in encouraging responsible, responsive and effective governance that incorporates:

- Sound fiscal policies, including equitable tax structures, responsible expenditures and a reasonable distribution of state and federal funds to local government entities.
- Recognition of the importance of prudent limits on government, focusing resources on those issues which can only be addressed by the public sector, rather than through the private sector.
- Consolidation and streamlining of services and regulations wherever practical.
- A high degree of local participation and control.
- Strong intergovernmental relations recognizing that many challenges transcend one level of government; and that the best solutions are reached when a comprehensive, cooperative approach is taken.

Healthcare



Total Oregon State and Local Spend on Healthcare – Actual (blue) and Projected (red)

One of the keys to a vital and prosperous community is a high-quality healthcare system. The Chamber is supportive of our region's healthcare providers, including hospitals, physicians and other professionals who not only care for our community but also serve as leading employers in our business community. Skyrocketing healthcare costs, however, will have serious implications for providers, hospitals, doctors, the dwindling insured and local businesses.

Recent efforts to reform healthcare at the state and national levels have been based on the premise of providing "affordable" healthcare for all, and the Chamber supports any and all efforts to achieve this goal. But Chamber members are increasingly concerned about the relentless premium increases and the impact those rising costs are having on the employer's ability to continue offering insurance to employees. Recent cost containment efforts at the state level has resulted in significantly higher health care premiums for many Oregon businesses, and there is significant and justified concern that federal mandates will result in even higher costs. The Chamber believes that private industry should be an important and necessary contributor to reform discussions and is supportive of efforts that engage the business community in potential reforms.

The Chamber is generally supportive of free market-based healthcare reforms as opposed to government-mandated solutions. Legislative healthcare reform efforts should not force employers that currently offer health insurance into a pooled system that threatens to lower the quality of care *and* raise their costs. Rather, reform efforts should provide tax or other incentives to employers and/or individuals to purchase health insurance, and the upside benefit of these incentives should not be outweighed by excessive paperwork and/or government oversight.

The Chamber supports legislation that encourages a wider choice of providers in Oregon, as broader competition should drive cost efficiencies. The Chamber also supports legislation that will spread state healthcare costs to a broader constituency than

just the taxpayers. Oregon currently pays one hundred percent (100%) of state employee benefits including health care benefits that far exceed what is available to most private sector employees. In today's economic climate this is not only unfair to taxpayers who can no longer afford quality coverage for their own families, but it is the byproduct of a past business model that was based upon excessive optimism and casual disregard for the historical cycles of our free market economy. As shown in the graph above, Oregon's state healthcare costs are projected to accelerate at an unmanageable rate. State leadership must come to terms with the "new economy" and respond as the private sector responded three years ago: with aggressive cost cutting measures in all facets of their business.

The Chamber also supports prudent tort reform efforts that seek to control escalating malpractice insurance rates that significantly increase costs of care, force doctors to utilize many unnecessary tests to protect themselves, further driving up costs, and add to the financial strain on current healthcare providers. The Chamber is concerned about current federal reimbursement levels that have placed a strain on local providers and threatens to undermine the quality and financial viability of care in our community. The Chamber is also concerned with the growing amount of bureaucracy associated with government reimbursements and the negative implications this is having on recipients as well as doctors and hospitals.

Land Use

The State of Oregon has a highly prescriptive land use framework that has evolved over more than three decades. The basis of the framework is the Statewide Planning Goals that are "common sense" in nature. All incorporated cities and all Oregon counties are required to have State-acknowledged Comprehensive Plans and implementing ordinances that carry out the goals. In addition, the state has numerous laws that describe how planning is to be carried out at the state and local levels. The Land Use Board of Appeals and courts have further defined the laws and expectations. The result is a highly process-oriented system that provides employment for many public and private lawyers, land use planners, and permit specialists throughout the State.

The Chamber supports balanced land use planning to protect the environment and private property, but there is concern about so many requirements for data and analysis. Often described as "one size fits all," the State's regulatory system is complex, and in many cases, it does little to clarify the real issues. The Chamber supports statewide legislation to dismantle requirements that do little more than complicate the system, causing delays and added expense for doing business.

At the local level, the Chamber is an advocate for ordinances that are friendly to business and property development. The Chamber recognizes that many local regulations reflect requirements that exist in statewide legislation and state agency policy, but there are examples where local jurisdictions have full say. One such example would be local requirements for design and architectural review; there is no state requirement for such review in any commercial district. The Chamber acknowledges design review can help guide commercial growth in a cohesive manner that provides for attractive curb appeal. But too many requirements will stifle business. This is just one

example where the Chamber can advocate for local business to encourage a healthy growing business community.

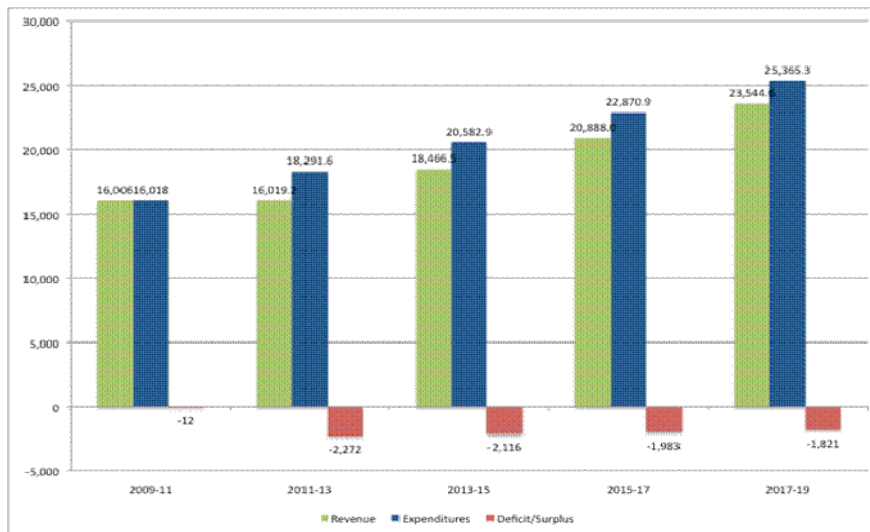
Natural Resources

The Chamber believes that responsible management and development of the area's abundant natural resources is essential for a healthy, robust and diversified local economy. Concurrent with this use, is a recognition that appropriate conservation and environmental protections must also be assured so as to preserve the natural beauty that draws so many tourists to our area and adds to the quality of life we all enjoy.

Given that so much of our region's timberland is owned by the federal government, the Chamber believes that Congress should find a permanent solution to compensate local governments for losses in revenue that local governments would otherwise realize if the land was privately owned or more actively managed for timber production. This compensation should recognize the significant economic impact that current federal land use policy inflicts on our local government and economy and provide compensation that is both substantial and sustained as long as such current land use policies continue.

The Chamber also recognizes that our natural resource economy includes a number of different industries and plays a major role in our local economy. These industries include agriculture, mining, timber, fisheries, and port infrastructure. It is the Chamber's position to support all natural resource based businesses in their efforts to grow their businesses here locally. The Chamber will continue to work with policymakers at the local, state and federal levels to advocate for the prudent economic and sustainable management of the area's natural resources consistent with our conservation and environmental principles and laws.

Taxes



Oregon Deficit Projections 2009-2019

The collection of taxes and the expenditure of those tax dollars by local, state and federal government is a public trust that must be fulfilled with equality, transparency, integrity and the utmost respect for the private sector that supplies this revenue. The Chamber respects the need for public investment and the prudent expenditure of tax dollars to that end, but current budget projections reflect state deficits through 2019 and the Chamber strongly urges state leadership to address this growing problem as quickly as possible.

Taxes should be levied for the purpose of maintaining essential government services with the least detrimental effect on taxpayers, economic expansion, and conflict with the private sector. The tax system should not restrict investment necessary for industrial growth, production, employment or trade. The burden of taxation should be widely and equitably distributed amongst all segments of the public and all forms of economic activity. Taxation warfare on specific income groups or business segments should be avoided.

While Oregon's overall tax burden is below the national average when expressed as a share of personal income, Oregon relies on income taxes more than any other state. Income and capital gains taxes are the most volatile of all taxes and they discourage high wage earners from locating and investing in Oregon. Increasing state taxes combined with a high federal tax will drive prospective investors to look elsewhere.

Careful consideration should be given to the cumulative impact that federal, state, and local tax laws have on our local economy. Even though Oregon is ranked 14th in the nation in the Tax Foundation's 2011 State Business Tax Climate Index, Oregon has given pause to inside and outside investors with a ballooning budget deficit and two tax increases on Oregon businesses in the middle of a crippling recession that shows little sign of improvement. Oregon's top-tier tax rate exceeds that of California and ties Hawaii for the highest top-tier income bracket in the country. Similarly, Oregon ties Hawaii for the highest capital gains tax in the country. A more equitable division of tax sources combined with a realistic and balanced budget must be achieved if Oregon is to see a timely economic recovery and significant economic growth. More important, public services and the related tax burden to support those services must better align with inevitable economic and population fluctuations.

Broad-based reforms to tax policy must take a holistic approach to the tax system, balancing proposed new revenue sources with other current taxes but in step with aggressive and responsible expense management at all levels of government. The goal should be to stabilize both government revenue and expenditures and achieve a more equitable distribution of the tax burden. Any and all proposals for recovery should be developed with input from a wide variety of stakeholders, including the business community.

Tourism

Last year visitors spent \$163 million on a multitude of services and supplies in Coos County. Tourism is a significant element of our current and future local economy. The Chamber will continue to promote tourism as a significant year-round economic driver here in our community. The Chamber will provide ideas, resources and programs to support new and expanding tourism based businesses and attractions. The Chamber will take any actions necessary to increase the value and strength of the local tourism

industry and will take the lead in developing and improving tourism partnerships and communications at the local, county, regional and statewide levels.

A principle element of that effort will be the cooperative support of the Coos Bay/North Bend Visitor & Convention Bureau's marketing and visitor outreach services. Additionally, we work the front line of visitor contact by managing the Coos Bay Visitor Information Center. The Chamber looks to continue collaborative marketing efforts, as identified. Furthermore, we plan to educate governmental representatives on tourism issues, in particular general knowledge on regional tourism and its important economic role. We will support Coos County tourism, focusing on regular, local events and the Visitor Centers that inform the community about them. New opportunities will also be developed, taking full advantage of our ocean and riverside location. Finally, the Chamber will look to liaise with other tourism related groups as opportunities arise.

Transportation & Infrastructure

An efficient and well-maintained transportation system -- including highways, other roads, rail service and air service -- is vital to the health of our region's economy. Many of our community's businesses require and are dependent on a well-developed infrastructure that includes not only the transportation system but utilities that provide energy, water and other vital services.

The Chamber believes that the current transportation system is currently inadequate to support our community's needs and expected growth. Oregon's transportation system must be integrated, expanded, and maintained to allow for the continued growth of the state's economy. The system should be cost effective and focus not only on short-term and immediate needs, but sustainable long-term multi-modal solutions with accommodation for growth. The Chamber is supportive of efforts to enhance Oregon's and our region's transportation system and will advocate for additional federal and state funding to achieve such improvements.

The availability of affordable and sustainable energy sources is critical to the social and economic fabric of our community. The Chamber is committed to the ongoing assessment of our region's current and future energy requirements and to work with utility providers and public policymakers to determine how to best meet those needs. The Chamber's focus will on the immediate and long-term energy needs of Southwest Oregon, while recognizing that many energy issues expand to a regional, statewide and even national level.

Our location is unique in the region/state/world and could allow us opportunity to import LNG or cargo containers for distribution around the country. We must advocate for responsible development and use of our Port facilities which provide numerous advantages over other West Coast port facilities due to our proximity to the Pacific Ocean.

With the expansion of the new air terminal, the Chamber must continue to work with our air service partners to provide economical service to Portland and a schedule that allows for daily "up and back" service.

Our key priorities are:

- Reinvestment in our port infrastructure
- Maintenance of the Coos Bay Channel
- Runway lengthening to allow RJ200/400 service
- Rail track class 2, that will allow economical rail transportation between Coos Bay and Eugene
- Continued funding for maintenance of the freight corridor (Highways 42, 101, 38, 126)
- Development of a multi-modal transportation hub on the North Spit