

# **UNSHACKLE UPSTATE**

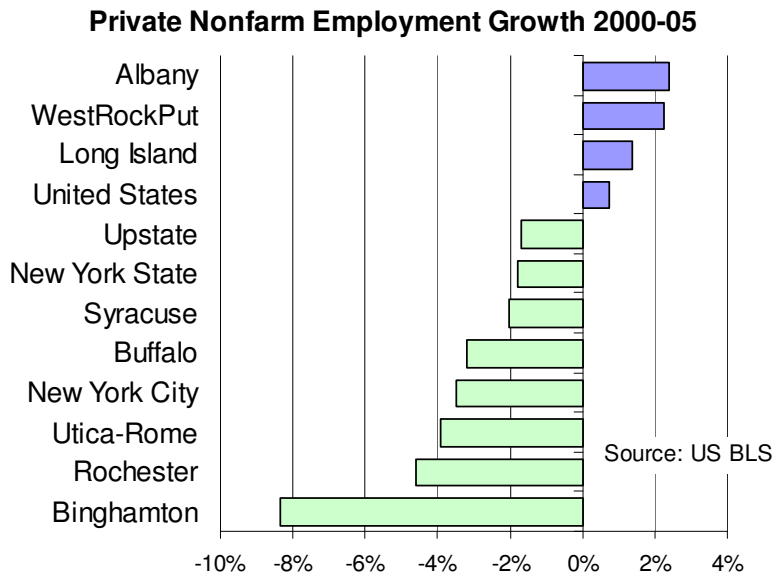
**A GROWTH STRATEGY FOR A STAGNANT  
ECONOMY**

February 9, 2007

## EXECUTIVE SUMMARY

New York lags the nation in economic strength and population growth. And where the state as a whole is faltering, Upstate is

sinking. Job growth is anemic, incomes are nearly stagnant and people are leaving for more promising locales. Upstate's population grew more slowly than every state but North Dakota and West Virginia during the 1990s. Nor have conditions improved during the current decade. Private sector employment in 2005 was substantially below 2000 levels in the state as a whole and in a number of metro areas, particularly Binghamton, Rochester and Utica-Rome. Those losses followed a



lackluster decade in the 1990s; overall, while employment in the rest of the country grew by 23% from 1990 to 2005, Upstate employment grew by only 3.5%.

The state's business climate gets much of the blame. Taxes and spending remain high, and other costs to business are similarly uncompetitive, from electricity prices to worker's compensation expenses to business insurance. State and local taxes per capita remained highest in the nation at \$5,260 in 2004. That's 53 percent higher than the national average.

The efforts of business lobbying groups to change state policies have run up against powerful special interests. So New York continues to have expensive laws—like its expensive Workers Compensation system and the nation's most generous Medicaid health insurance program for the poor, elderly and disabled.

### **Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

State spending for economic development isn't getting the job done either. It's not for lack of funding. This year alone, New York leaders have \$2.2 billion in taxpayer funding to devote to economic programs and community projects to boost the economy. Despite significant and prolonged tax-supported spending, the impact on the state's economy has been meager. With the exception of localized achievements, New York's employment statistics demonstrate that the state economy has not responded to massive injections of taxpayer funds.

Upstate can't afford the status quo. It needs the freedom to opt out of state policies that hurt business and the authority to spend taxpayer money devoted to economic development on projects that will truly help our communities. Decentralizing decision-making and putting power in the hands of local authorities is the best hope for turning state government into a partner in rather than an obstacle to Upstate's economic success.

We propose that New York:

- ❖ **Unshackle Upstate from anticompetitive laws and regulations to cut taxes and business costs.** All of New York State would benefit from reform of these onerous laws and reduction of taxes. If statewide reform is impossible, the NYS Legislature should enact legislation exempting Upstate separately from certain laws and policies.
- ❖ **Improve the effectiveness of the state's current spending for economic development** by focusing on the creation of large-scale shovel-ready sites for strategic target industry clusters, expanding and implementing the "Regional Partnership" program concept initially proposed under NYSTAR and realigning the State's workforce development programs to be more directly tied to and supportive of the current and projected needs of employers.
- ❖ **Promote the development of low-cost power** Upstate through several strategies, including targeting low-cost power programs reward to businesses that create jobs, reducing taxes

## **Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

and regulatory costs, and promoting competitive markets and additional sources of generation, including renewable and alternative fuels.

These changes should help revitalize Upstate's economic climate and make it competitive with large states. The objective is to boost the region's job-growth rate to the point where it meets or exceeds the median for the 10 largest states by 2015. Unshackling Upstate provides benefits to all by creating jobs and strengthening the tax base available to support social services and quality of life programs.

# TABLE OF CONTENTS

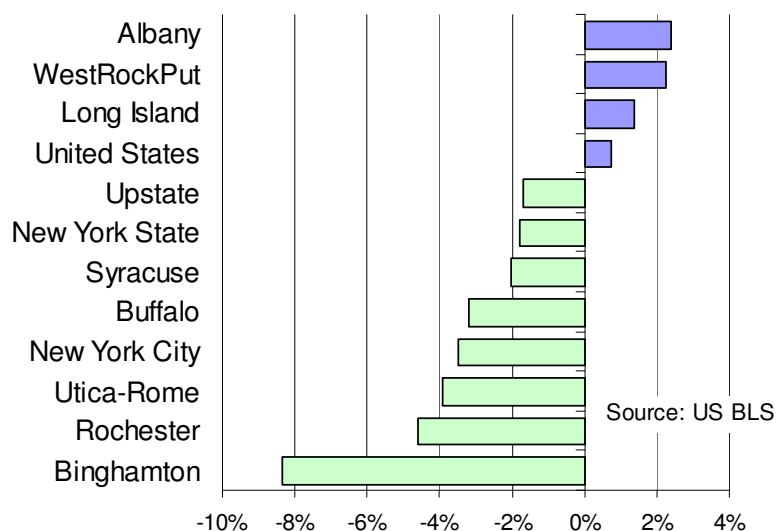
<b>Executive Summary .....</b>	<b>i</b>
<b>Table of Contents.....</b>	<b>iv</b>
New York’s economic performance, particularly Upstate, lags that of the nation .....	1
New York’s business climate is unfriendly to business .....	3
<b>Unshackle Upstate .....</b>	<b>6</b>
Cut taxes & business costs .....	6
Free New York from government-imposed burdens .....	7
“Let Upstate Be Upstate” .....	8
Unshackle economic development program reforms.....	12
Public/private partnership to create large-scale shovel-ready sites for companies in target industry clusters .....	13
NYSTAR Regional Partnership program expanded and implemented .....	14
Development of a workforce development agenda tied to current and projected employer needs.....	15
Energy policy reforms .....	16
A rallying point for legislators .....	18

## New York's economic performance, particularly Upstate, lags that of the nation

New York State, once the driving force of the nation, now fights to maintain its economic position. Upstate is mired in decline despite a proud history as a center of innovation and manufacturing.

During the 1990s, job growth was paltry. Nationally, the number of private-sector jobs grew 22% between 1990 and 2000, but in Upstate metro areas just 5%. Had Upstate metros grown at the same rate as the nation, there would have been nearly 400,000 additional private sector jobs by 2000. The recession that began in 2000 hit Upstate metros particularly hard, particularly in the important manufacturing sector. Many Upstate metros saw slow growth turn into shrinkage. Overall, while employment in the rest of the country grew by 23% from 1990 to 2005, Upstate employment grew by only 3.5%.

**Private Nonfarm Employment Growth 2000-05**

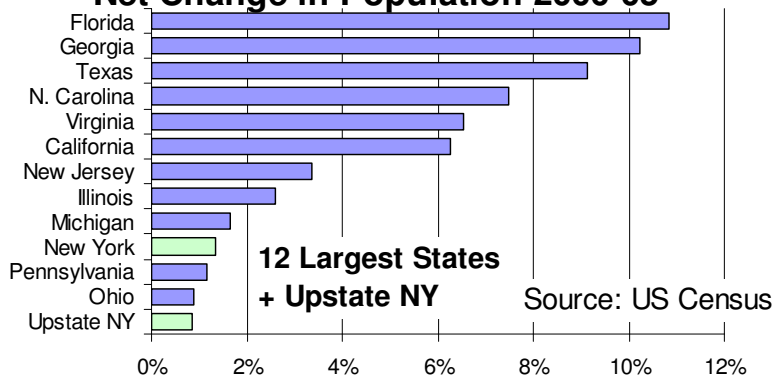


What growth many metros did experience centered in government, health care and social assistance, all taxpayer-supported sectors that arguably drain resources from the private sector.

Income growth, particularly Upstate, has also lagged the nation's. While total personal income grew 22% in the nation from 2000 to 2005, it rose 18% in New York State, 15% in Rochester, 13% in Utica-Rome and just 10% in the Binghamton area. Government and service industries that are growing tend to pay lower wages than manufacturing and other areas that are shrinking. For example, the Rochester metro lost more than seven thousand jobs from 2000 to 2005 in chemical manufacturing, where average wages are about \$58,000, while it added nearly four thousand jobs in local government, where the

## Unshackle Upstate: A Growth Strategy for a Stagnant Economy

### Net Change in Population 2000-05

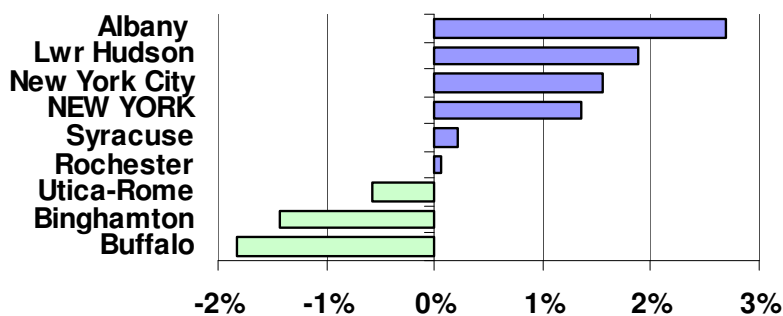


average wage is under \$30,000 and the added jobs also add to the tax burden.

In a nation with residents as mobile as those of the United States, the underlying health of the economy is reflected in population trends. If it were its own state, Upstate would rank third from the bottom in population growth in the 1990s, below every state but North Dakota and West Virginia.

Upstate gained just 1% in population in the decade, compared to 5% for all of New York, 9% for New York City and 13% for the nation.

### Population Growth 2000-05

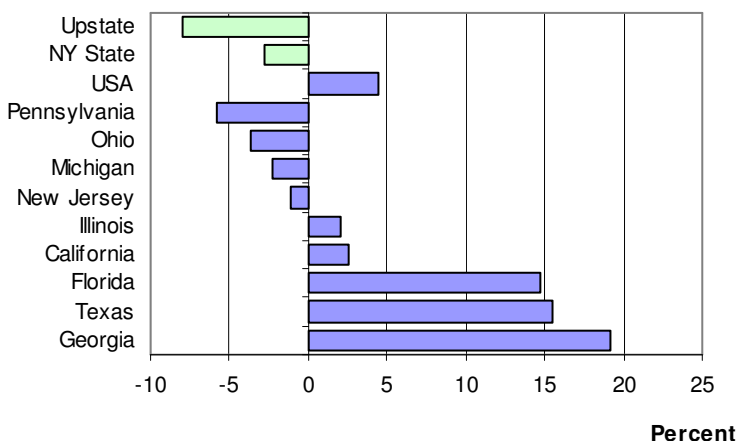


New York's position has not improved in the current decade. Upstate had the lowest growth in a comparison with the 12 biggest states from 2000 to 2005. Overall, between 1990 and 2005, Upstate had only 2 percent growth in population,

compared to 19 percent for the nation.

Because other states far outpaced New York in population growth, New York lost representation and clout in Congress in the 2000 redistricting process. The state's delegation in the House of Representatives fell from 31 to 29. New York was the largest state in the nation for 130 years until California surpassed it in 1963. Now, New York's third-place status is set to fall to Florida.

### Change, 18-44 population, 1990-2000



These factors detract from a locale that should be highly attractive to businesses, families and individuals. There are many benefits to living in Upstate New York, including short commutes

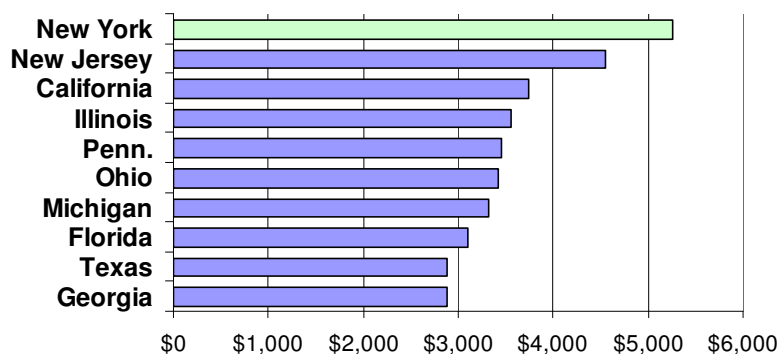
## Unshackle Upstate: A Growth Strategy for a Stagnant Economy

and affordable housing. We have a highly educated workforce, strong health care and many good schools, not to mention dozens of impressive institutions, attractions of historical significance and natural beauty to spare.

## New York's business climate is unfriendly to employers

Upstate has cold winters, but it is the business climate that chills investors and entrepreneurs. New York is consistently viewed as an expensive, high-tax, burdensome state, and Upstate's relatively low cost-of-living fails to compensate for those shortcomings.

**State and Local Taxes per Capita, 2004**



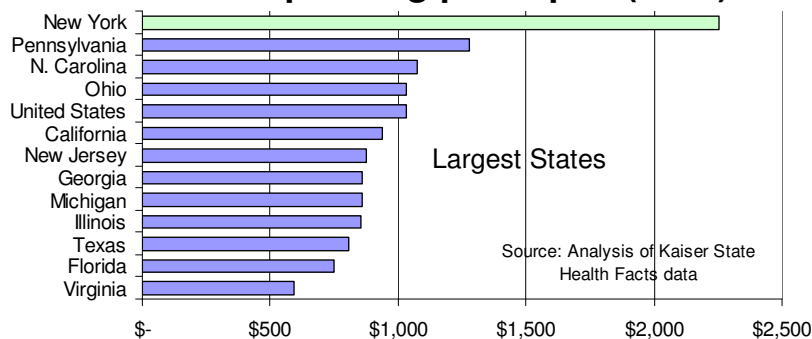
Tax-cutting at the state level has done little to change the state and local tax burden. Taxes per capita remained the highest in the nation at \$5,260 in 2004, 53% higher than the national average.

Looking separately at Upstate, state income taxes are 22% higher than the national average, local property taxes 55% higher and local sales taxes twice as high.

Upstaters would pay \$5 billion to \$6 billion less in taxes if they lived somewhere with more typical tax collections, according to the Public Policy Institute.

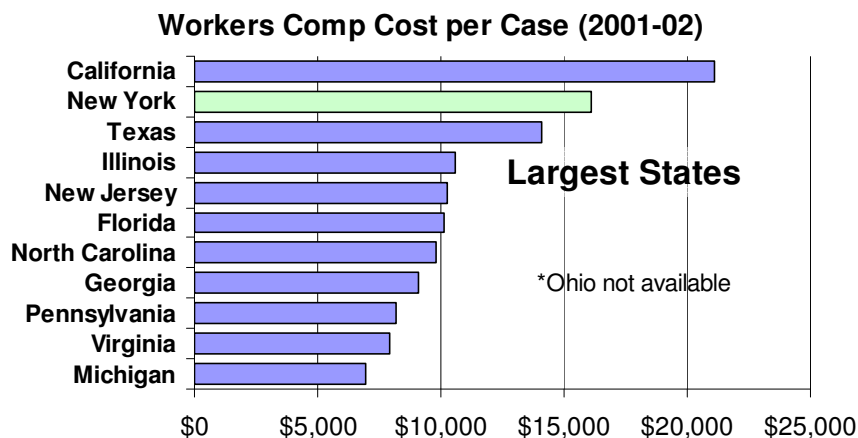
Taxes are high because spending is high. New York is second highest in the nation in government spending per capita, behind only

**Medicaid spending per capita (2005)**



Source: Analysis of Kaiser State Health Facts data

## Unshackle Upstate: A Growth Strategy for a Stagnant Economy



Alaska. It has the second-highest state and local government employee salaries and ninth-highest number of public employees per 1,000 residents. One of the most expensive programs is the Medicaid program of subsidized health insurance.

Beyond taxes, costs for employers in New York are high in many other areas compared to other states. The cost of an average worker's compensation case is second highest in the nation. Electricity costs are third-highest for commercial users and 11<sup>th</sup> highest for industrial users.

For these reasons, New York is at the bottom of most state rankings on business climate and economic competitiveness. While rankings can be overly simplistic, if nothing else they indicate how the state is perceived by those promoting business investment. The Tax Foundation ranked New York at the bottom in business tax climate in 2006 for above-average rates, high overall burdens and complex tax codes.

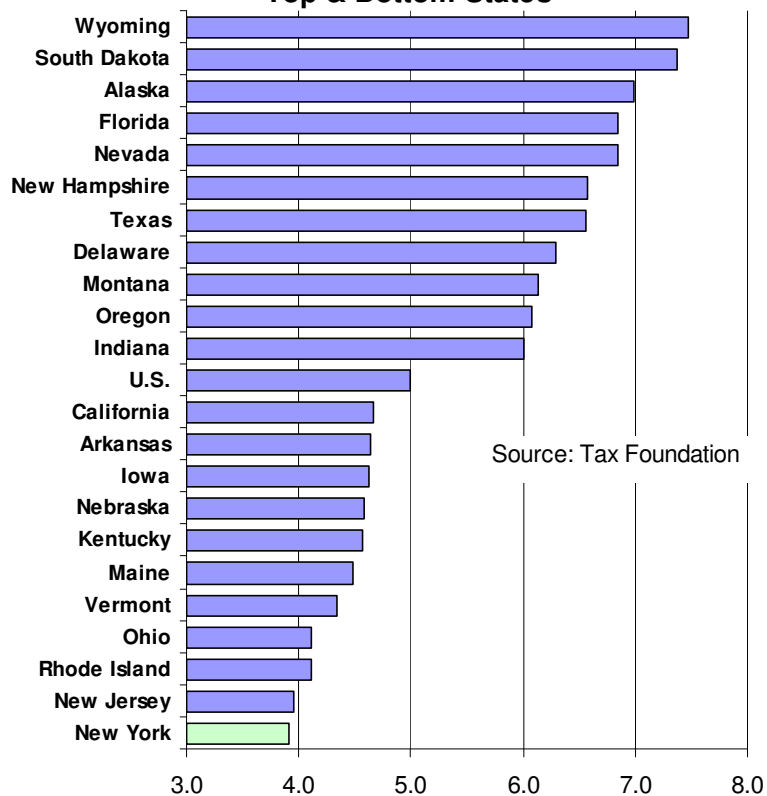
New York was 40<sup>th</sup> in the Beacon Hill Institute's State Competitiveness Report in 2005, brought down low rankings for tax policy, unionization and commuter times. In a recent survey, two-thirds of Rochester's top CEOs said excessive state taxes and regulation were the biggest obstacles to job growth.

New York claimed second place in the Milken Institute's 2005 Cost of Doing Business ranking, which considers tax burden and costs for wages, electricity and rent.

<b>Cost of Doing Business</b>	
<b>Milken Rank, 2005</b>	
New York	2
California	4
New Jersey	7
Michigan	10
Illinois	13
Pennsylvania	18
Florida	22
Ohio	26
Texas	27
Georgia	31

## **Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

### 2006 State Business Tax Competitiveness Index Top & Bottom States



Eliminating these burdens will provide benefits to all, by creating new jobs and strengthening the tax base available to support social services and quality of life programs.

## UNSHACKLE UPSTATE

Despite recent setbacks, Upstate communities are justifiably proud of their competitive workforce, dynamic new business firms, vibrant educational institutions, and energetic and talented community leaders.

To build on these strengths and help revitalize the Upstate economy, we propose that New York State:

- ❖ **Unshackle Upstate from anticompetitive laws and regulations to cut taxes and business costs.** All of New York State would benefit from reform of these onerous laws and reduction of taxes. If statewide reform is impossible, the NYS Legislature should enact legislation exempting Upstate separately from certain laws and policies.
- ❖ **Improve the effectiveness of the state’s current spending for economic development** by focusing on the creation of large-scale shovel-ready sites for strategic target industry clusters, expanding and implementing the “Regional Partnership” program concept initially proposed under NYSTAR and realigning the State’s workforce development programs to be more directly tied to and supportive of the current and projected needs of employers.
- ❖ **Promote the development of low-cost power Upstate** through several strategies, including targeting low-cost power programs reward to businesses that create jobs, reducing taxes and regulatory costs, and promoting competitive markets and additional sources of generation, including renewable and alternative fuels.

### **Cut taxes & business costs**

**A dramatic reduction in both the level of taxation and the cost of starting & operating a business is New York’s best hope for economic revitalization.** New York’s tax burden is the #1 drawback to site selectors and business leaders seeking a location for expansion or relocation.

### **Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

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State leaders must begin to rein in spending. There is much to be done to eliminate fraud and abuse and cut costs in the state Medicaid program, and to ferret out waste in other state agencies and programs. There may also be opportunities to cut spending in education on programs without a proven track record and in aid to the wealthiest school districts. But identifying places to trim costs is not the focus of this report.

*Free New York from  
government-imposed  
burdens*

The tax reductions and reforms of state policies hampering business that we endorse (listed below) should be enacted statewide. Surely what would benefit Binghamton's economy would also boost that of the Bronx. Syracuse *and* Staten Island would both benefit from more competitive business conditions, ultimately expanding economic opportunity statewide.

But if statewide reform is politically impossible, as it has been for years, lawmakers should allow exemptions for Upstate only. Downstate's economy is less sensitive to differentials in the cost of doing business. By imposing Downstate's cost structure on Upstate economies, Upstate's dependence on Downstate tax revenue will only increase. Upstate's residents and businesses are eager to stimulate a level of economic activity that will equalize or reverse the flow of state funds between these two regions of NYS.

While it might not seem appropriate to treat workers in these regions of the state differently; it is ultimately worker-related cost drivers—workers compensation, liability rules and others—that make Upstate uncompetitive. It is true that the immediate and direct impact of many of these proposed changes would be to change the level of benefits or protections afforded individuals. Yet if long term trends for the Upstate economy are not reversed, its residents will be injured far more significantly by the continued, relentless decline in relative opportunity. The exodus from Upstate will continue apace, increasing tax burdens as the costs of maintaining the social and physical infrastructure are shared among fewer residents and fewer businesses.

**Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

## "Let Upstate Be Upstate"

New York's high taxes, labor costs and insurance rates cripple the competitive position of existing business and deter branch plant expansion and new business formation. Our state leaders must be willing to test new tactics and strategies for reducing the high costs of doing business, especially Upstate.

If statewide reform is not imminent, state leaders should exempt Upstate as a whole from these mandates using the region's economic troubles as the legal basis for differentiating policies. This idea was first proposed by the Public Policy Institute in its report *Could New York Let Upstate Be Upstate\**, which suggests that the diversity of the state's economies be reflected in explicit state policy by adopting business-friendly reforms for Upstate.

Where to start? The best place is with seven key reforms currently under discussion in Albany which will stimulate private sector investment and job creation.

✦ **Workers' Comp (A02693, S00183):** It has now been over 10 years since the Governor and Legislature last enacted comprehensive workers' comp reform, and costs are once again out of control. New York State has the 2<sup>nd</sup> highest average comp claim cost in the nation. The average claim cost is 72% above the national average, and nearly twice as high as our neighbors in Massachusetts, Pennsylvania and New Jersey. Workers' comp rates in New York are 8<sup>th</sup> highest in the nation -- \$31.30 per \$1,000 of payroll. The State should impose a 10-year time limit on benefits for injured workers with permanent partial disabilities, as proposed in the legislation references above. Under state law, such injured workers can receive unlimited lifetime benefits. Approximately 40 other states impose a reasonable time limit in such cases. In New York

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\* As stated in Page 2 of the Public Policy Institute report, "... the high costs of doing business in New York—high taxes on people, heavy burdens on businesses—have gotten less attention in the drive to restart Upstate. Those high costs probably do more damage Upstate than they do in and around New York City, which has a unique position in the global economy that Utica, say, cannot match."

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State, where there is no time limit, lifetime awards in permanent partial disability cases account for over 75% of the total costs in the workers' compensation system, even though they represent only about 12% of total claims.

- ❖ **Scaffold Law:** Under the outdated and unfair “Scaffold Law,” owners and contractors in New York are absolutely liable for “gravity related” worksite injuries, regardless of whether the employee was negligent. New York is the only state that imposes absolute liability in such cases, and it has created a liability insurance crisis in this State. The cost of insurance coverage for such claims has skyrocketed by approximately 250% to 500%. Even worse, many contractors cannot find an insurance carrier that will sell them a policy to cover such claims. The State should impose a “comparative negligence” standard for recalcitrant workers, such as those who fail to use safety devices or are injured as a result of drug or alcohol impairment, as proposed as part of the worker’s compensation legislation referenced above.
  
- ❖ **Medicaid:** For many years, the Medicaid program has been the single most expensive and problematic State mandate for localities. New York has, by far, the largest Medicaid program in the nation, and the State requires its localities to pay a greater share of Medicaid costs than any other State. In the past two years, the State has capped annual increases in the local share of Medicaid, and taken over the local share of Family Health Plus. While these are important reforms, much work remains to be done in Medicaid, particularly in the area of long-term care. Potential reforms include:
  - ♦ Closing current loopholes in Medicaid eligibility that allow “middle class” seniors to have Medicaid pay for the cost of their long-term care;
  
  - ♦ Promoting initiatives that make saving and paying for long-term care easier, such as: (1) increasing the tax credit for the purchase of long-term care insurance; (2) allowing individuals to make tax-free payroll deductions to pay for

their long-term care needs, as they currently do for college and retirement;

- ♦ Lowering the “local cap” on Medicaid spending by one-half percent each year, so that the inflation rate paid by counties goes down to 2.5% in 2009 and down to zero by 2014;
  - ♦ Redirecting \$20 million in “graduate medical education” funding for a physician-specialist recruitment/retention program to attract doctors in high-need specialty areas to Upstate;
  - ♦ Creating a new Long Term Care Compact (S.3530/A.10634) that would afford seniors the option of pledging a portion of their assets in order to qualify for a long-term care subsidy, instead of impoverishing themselves to have Medicaid pay the entire bill for their nursing home care;
  - ♦ Creating a broad public education campaign to alert New Yorkers to the high costs of nursing home care, and promoting non-Medicaid options for paying for such care; and
  - ♦ Allowing Upstate counties to offer different benefit packages to Medicaid recipients, or to create subsidy payments that working recipients can use to purchase employer-sponsored insurance, as is being developed in Florida and South Carolina.
- ❖ **Taylor Law:** The Taylor Law governs collective bargaining for all public employees in New York and provides incentives to unions in exchange for prohibiting strikes. The Triborough Amendment to the law requires that all salaries and benefits, including salary increments, continue after a union contract has expired—a provision that is unique to New York. Through that amendment and other provisions, the law gives unions unfair advantages that can lead to unsustainable costs in the public sector, including spiraling health care costs.

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The law also requires localities to resolve their contract disputes with labor unions before a binding arbitration panel that is not responsible for paying the award and is not accountable to taxpayers. Contract settlements in neighboring jurisdictions can serve as a precedent for pay increases, leading to a spiraling "leveling up" effect throughout the state. In 51 of New York's 62 counties, government workers collect higher average salaries than private-sector employees.

The Taylor Law should be amended to better reflect the interests of taxpayers in controlling the cost of government. The ability of local governments to pay for salary or benefit enhancements should be the primary factor considered by PERB panels. A time limit should be imposed on Triborough protections so unions have more of an incentive to negotiate new contracts. Lawmakers should also consider exempting Upstate from the entire Taylor Law to aid the region's distressed communities and local governments.

- ❖ **Wicks Law:** Under the notorious Wicks Law, localities are required to hire multiple contractors for a single building project, in effect requiring the local government to serve as general contractor on most every government project. The state School Boards Association, which has lobbied for repeal, estimates that the law boosts the costs of construction 20 to 30 percent. A 1999 PricewaterhouseCoopers study of New York City estimated savings of \$192 million because school districts in the Big Apple are exempt from the Wicks Law. Potential reforms include: Outright repeal of the Wicks Law, or at least raising the current exemption from \$50,000 to \$2 million per project.

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## **Unshackle economic development program reforms**

Unshackle Upstate focuses on advocating for business climate policy reforms that will make Upstate more competitive for expanding and retaining private sector jobs and investment. We believe such policy reforms are the principal way economic development in Upstate should and actually will occur, and do so on a sustaining basis. In that context, we also believe Upstate’s competitiveness can improve with the reengineering of current economic development policies and funding streams. The goal is not to have more State spending, but rather to redirect some of what the State currently spends away from short-term consumption and towards long-term investment projects.

Specifically, Unshackle proposes:

- ❖ Establishment of a new land development program to foster public/private partnerships aimed at creating large-scale shovel-ready sites for strategic target industry clusters.
- ❖ Expansion and implementation of the “Regional Partnership” program concept initially proposed under NYSTAR.
- ❖ Realignment of the State’s workforce development programs to be more directly tied to and supportive of the current and projected needs of employers.

Funding criteria for these and all other State economic development programs should focus not only on jobs created, but also on job retention, total payroll and capital investment. Moreover, the State should evaluate the way economic development impacting programs are delivered, combining them where applicable under one entity – New York Empire State Development Corporation – and by streamlining applications and reducing approval timelines.

*Public/private partnership to create large-scale shovel-ready sites for companies in target industry clusters*

The state should establish a program to develop private-public sector partnerships in each region of Upstate, focused on creating large-scale shovel-ready sites for firms in target strategic industry clusters. Specifically, the State should provide the necessary start-up funding to assist with:

- ❖ Land acquisition
- ❖ Brownfield remediation
- ❖ Zone planning and pre-permitting (environmental assessments, engineering studies, site maps, development plans, etc.)
- ❖ Infrastructure design, planning and initial buildup in all key areas, including transportation (roadways, railways and airports), broadband, energy and utility supply
- ❖ Venture capital funding
- ❖ Business cost reduction strategies
- ❖ Workforce development and talent recruitment
- ❖ Industry-university collaboration
- ❖ Marketing to targeted industries
- ❖ Facility design
- ❖ Third-party assessment and verification of site-readiness
- ❖ Planning and technical assistance

The program should be administered by ESDC, utilizing capital and operating grants to regional private-public partnerships that:

- ❖ Present a comprehensive, multi-year “site development” plan that builds on existing regional strengths, is targeted at a specific strategic growth industry, and presents a convincing case that it will attract large-scale business to the region

- ❖ Identify quantifiable goals for each year and detailed implementation strategies for achieving such goals
- ❖ Demonstrate continued and ongoing progress toward site development and eventual business attraction
- ❖ Leverage matching funds and resources from the private sector (particularly for operating costs)
- ❖ Have broad representation from the business, economic development, financial, and innovation communities in the region
- ❖ Establish a board of directors and management team with demonstrated expertise and experience in economic development, site selection and business attraction initiatives

*NYSTAR Regional Partnership program expanded and implemented*

Effective and realistic economic development initiatives for Upstate must be grounded in recognition and understanding of the particular nature of each of its regions. Economic development strategies that are conceived directly by regional leaders and experts will stand a far greater chance of actually expanding jobs and investment and doing so over the long run.

In April 2005, the Legislature initiated such an approach with the NYSTAR “Regional Partnership” program. The “Regional Partnership” program is a sound idea and a good start, but it should be expanded both in funding levels and in scope.

As a starting point for discussion, Unshackle proposes the following allocation of funds totaling \$200 million annually:

- ❖ Albany-based strategic direction/administration: \$10 million
- ❖ Base funding for each of the ten regions: \$5 million
- ❖ Population-based funding for each of the ten regions: \$70 million

- ❖ Need-based funding allocated according to relative economic performance: \$70 million

In terms of scope, the “Regional Partnership” program currently is limited to the fields of science, technology and innovation. In Unshackle’s view, the program should have a broader scope, embracing all types of new and existing businesses that can help expand the Upstate economy. In addition, the State should examine administering the Regional Partnership program under Empire State Development Corporation, to foster greater alignment with related economic development programs.

*Development of a workforce development agenda tied to current and projected employer needs*

Unshackle Upstate believes the primary “customer” for state workforce development programs is the employer. Thus, making these programs customer friendly and job/skill savvy will dramatically increase their economic development effectiveness. As a start, this can be achieved through the following five initiatives:

- ❖ **Expand incumbent worker training programs.** These programs allow businesses to access training in line with the competitive and rapidly changing nature of today’s business environment. Over the last several years, funding for incumbent worker training grant programs has been reduced significantly, and programs have been altered. Incumbent worker training programs are vital for Upstate businesses vying to compete globally, investing in new processes and equipment, who must train their workforce frequently. Programs must have a rolling, non-competitive application process, so that funds may be accessed by appropriately qualifying businesses when they need them.
- ❖ **Reduce the paperwork associated with accessing government funding.** Paperwork reduction will increase the likelihood that businesses will apply for much needed training funds. Often the paperwork associated with government funding streams is long and cumbersome, scaring many applicants away. New Jersey has a program allowing medium

sized businesses to access training dollars; the application is only 1.5 pages long.

- ❖ **Alter the rules regarding grant funding for small to medium sized companies.** Small business training needs are often very different from the needs of large companies. However, these needs are often unmet because of financial restraints on small businesses. Modifying particular rules may allow smaller businesses to access training funds that currently may be out of reach would benefit hundreds of thousands of Upstate manufacturers and businesses.
- ❖ **Employ technology to disseminate information about existing and future career ladders to stop the drain of talent from Upstate New York.** Career ladders are an effective method of clarifying the skills needed to succeed within a particular industry. They can also be used to define the skills required for new jobs created by emerging technologies. The replication and endorsement of these career ladders would enable the retention of more skilled talent. The New York State Department of Labor (DOL) and the U.S. DOL have already provided funding to various organizations working on these career ladders. However, much of the career ladder information that exists is largely inaccessible to the public.
- ❖ **Encourage the use and replication of work readiness credentialing** to allow more of the Upstate population entrance into, and progression pathways through the Upstate workforce pipeline.

## **Energy policy reforms**

New York employers pay among the nation's highest energy bills, and in Upstate, an economy anchored by manufacturing industries and other large energy users, the sting of those high costs is especially strong. Other parts of the nation have used lower energy rates to entice existing Upstate companies to move, and site selectors, who might have brought new jobs and investment to our regions of the state, are similarly lured away from Upstate. Unshackle Upstate seeks the reduction of energy costs for Upstate New York employers via five specific recommendations:

## **Unshackle Upstate: A Growth Strategy for a Stagnant Economy**

*Make more low-cost energy available for Upstate economic development*

- ❖ **Support low-cost energy awards for maximum economic benefit.** Current New York State programs should be centralized, with a focus on streamlining the application process for greater ease, consistency and transparency. Power programs should have one common application and be judged with one set of progressive, pro-business selection criteria to include increases in payroll, job retention, job creation, and capital investment.
- ❖ **Reduce taxes and other statutory and regulatory costs on energy.**
- ❖ **Support the continued operation of existing, economically viable, base-load nuclear and coal generating facilities,** particularly the nuclear facilities at Indian Point, as a means of ensuring stable and competitive prices and supply diversity. Support the enhancement and maintenance of existing energy infrastructure.
- ❖ **Legislative action on renewal of Article X of the New York Public Service Law.** Additionally, encourage the construction of new electric generating capacity, electric and natural gas transmission and distribution facilities and other energy infrastructure, with a focus on building generation facilities where demand is greatest -- particularly in downstate New York. The goal should be to keep more Upstate power Upstate -- to stabilize supply and costs -- and to avoid transmission construction projects that would impart unfair burden on Upstate communities such as the proposed NYRI (New York Regional Interconnect).
- ❖ **Promote competitive markets and additional sources of generation** (including exploring allowing utilities also to be generators) for all fuels, including renewable and alternative fuels, at rate levels closer to the national average. Support a statewide energy policy that encourages a safe, secure, reasonably priced, reliable and diverse supply of energy with an emphasis on pricing competitive with other lower-cost states.

*A rallying point for  
legislators*

With the right combination of efforts, New York could bring itself out of economic doldrums and into growth and prosperity. The plan presented here should serve as a rallying point for Upstate delegations, which should unite around the proposed agenda and make it a top legislative priority for the 2007 session. Our recommendations are broadly supported and achievable. Adopting these proposals will go a long way toward securing New York's economic future.