

Michigan Chamber of Commerce Board of Directors Supports 'Fair Play' Legislation

The Michigan Chamber of Commerce Board of Directors has unanimously voted to support "Fair Play" legislation in Michigan.

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"The Michigan Chamber supports public policies that promote fair competition and prevent unfair competition by government," said Michigan Chamber President & CEO Jim Barrett. "Such policies are critically important, especially when the public sector seeks to compete in private sector markets, such as telecommunications."

"Succeeding in business is tough enough without having government as a direct competitor," noted Rex E. Schlaybaugh, Jr., Chairman of the Michigan Chamber Board and Vice Chairman of Oxford Automotive, Inc., in Bloomfield Hills.

Recently in Michigan some units of local government are seeking to become owners and suppliers of telecommunications services in direct competition with private sector employers.

"This troubling trend is evident in Michigan in Hillsdale and Coldwater," noted Barrett. "These communities have already received licenses to offer telecommunications services. Based on experiences in other states, more local governments are expected to follow suit."

The Michigan Chamber Board unanimously voted April 24th to support the "Fair Play" legislation to provide that:

- * A government-funded business activity must be subject to the same regulation as private sector competitors providing the same service(s).
- * Government-funded business activities must be subject to the same tax rules and regulations as private sector competitors.
- * A government must not use its sovereign powers, such as control of rights-of-ways or powers of condemnation, to advantage its business activities over private sector competitors. In addition, a government must not delegate its sovereign powers to a competitive non-government-funded business activity.
- * A government-funded business activity should have no greater ability to allocate costs among other services/departments/agencies than private sector providers.
- * Government-funded business activity must include in its cost of providing service the cost of taxes and fees consistent with the obligations of private competitors. A government-funded business activity should also include in its cost of providing services a cost of capital consistent with the cost of capital available to private firms.
- * One competitor in a business market should not be able to regulate another competitor. In other words, a government-funded business activity should not be regulated by the same government entity that funds it.

The Michigan Chamber of Commerce is a statewide business organization representing approximately 7,000 employers, trade associations and local chambers of commerce. The Michigan Chamber of Commerce was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

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