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NJ SEED TRUSTEES ANNOUNCE PRIORITIES TO JUMP START THE NEW JERSEY ECONOMY

THE SOLUTION TO NJ'S ECONOMIC DOWNTURN

The New Jersey Society for Environmental, Economic Development (NJ SEED) is a unique coalition of New Jersey's most prominent labor and business organizations and their leaders. The unique blending of our membership puts NJ SEED in a strong position to recommend a short list of critical policy initiatives that the State of New Jersey's policymakers can embrace that will have the IMMEDIATE effect of turning around our declining economy. These items are policy initiatives that are not new to NJ, but with proper support, can dramatically improve NJ's economic climate.

MORE ABOUT NJ SEED

NJ SEED's diverse membership includes labor advocates, construction and electrical workers unions and associations, energy providers, environmental consultants, telecommunications firms, banks, residential and commercial development interests, insurance firms, educators, law enforcement and firefighters, food manufacturers and retailers, water utilities, chemical industries, pharmaceutical companies and health care interests. What we all have in common is the belief that economic growth and environmental protection are not mutually exclusive. For more than thirty years, NJ SEED has supported balanced public policies that create private sector jobs, bolster our economy and enhance our environment.

INITIATIVES AND OVERVIEWS

NJ SEED's industry leaders and policy specialist that can elaborate on any of the items below:

ITEM 1 – FUND TRANSPORTATION INVESTMENT

Investing in our transportation infrastructure will have an immediate impact on job growth, movement of goods and people, and the environment and allow New Jersey to maintain its competitive advantage in global markets. The governor's stimulus package last fall will jump start new projects and provide matching funds for needed additional federal monies. However, we need \$1.2 billion in new revenues to maintain our current level of capital transportation spending. It is critical that we identify a long term solution to finance the Transportation Trust Fund through raising the gas tax and/or other new sources of dedicated revenues

Support the Access to the Region's Core project because it will: double commuter rail capacity; provide more one-seat ride opportunities for more commuters and reduce environmental pressures caused by single-occupancy vehicles; create jobs and consumer

spending power; add flexibility to the rail system to respond to security concerns; and support economic growth along New Jersey's rail corridors.

Much of New Jersey's intermodal success starts at our port. New Jersey must continue to partner with Local and Federal Governments to maintain our deep water port and the waterways that link to it. Billions of dollars are generated by this port and for New Jersey because it is the point of entry for much of the goods consumed in our region. We have entered a new day of super tankers and ships that are barred from our port by old low span bridges. Immediate action is needed to begin a bridge replacement program so that the Port of New Jersey can continue to grow and benefit our state and not lose out to other east coast ports.

ITEM 2 – ADOPT IMPROVEMENTS TO SITE CLEANUPS

NJ SEED applauds the actions and wisdom of Corzine Administration in endorsing legislation that addresses the 20,000 sites around New Jersey that are awaiting final approval for remediation. The use of licensed site professionals, under proper state guidelines, will provide a needed boost to relieve that backlog and promote development in New Jersey's environmentally blighted areas. This is a huge growth sector for New Jersey. The site remediation process can function so that it is more cost effective, protects the public health, adds to the quality of our environment and promotes economic development.

ITEM 3-SPUR UTILITY INFRASTRUCTURE INVESTMENT

The barriers to investment in our electric, natural gas, telecommunications and water infrastructure are, by definition, barriers to our economic future. Unless we keep investing in infrastructure, continue to modernize it, and enable it to meet the increasing demand for reliable and essential services, our future economic development will be put into serious jeopardy. Infrastructure improvement not only supplies energy, water and communications, but provides thousands of permanent jobs. It also produces millions of dollars in tax revenues.

It is equally important that New Jersey does not isolate itself, but collaborate with upgrades in surrounding states to maximize the energy future of our region. The completion of the Mid-Atlantic Power Pathway (MAPP) will provide the additional infrastructure needed to support proposed clean energy projects in the mid Atlantic. It will also complement New Jersey's energy efficiency and demand-side management initiatives. MAPP will improve the flow of electricity, ensure a reliable, long-term supply, deliver lower cost power during periods of highest demand, reduce the cost of power by reducing congestion and create a bigger corridor for delivering new, clean energy solutions.

NJ SEED believes that the energy landscape in New Jersey will be achieved through a mix of options. The Energy Master Plan (EMP) accounts for many of these solutions:

developing renewable sources, increasing energy efficiency, decreasing peak demand and investing in new clean energy technologies. However, as clearly stated under goal four of the plan, even if the state fulfills its goals for all of the aforementioned initiatives, projected demand increases leave 54,000 giga-watt hours of energy unaccounted for by 2020. This staggering figure can only be met with new baseload energy. With that in mind, ensuring that New Jersey's current nuclear power facilities remain in operation and that new nuclear generation is developed is an absolute necessity in achieving the goals of the EMP.

Additional transmission capacity will be required to meet ever increasing demand and support the transportation of proposed renewable energy resources in addition to new base load or nuclear energy in the state. Efforts to facilitate the upgrade of existing transmission capacity should be expedited.

Finally, NJ SEED believes that New Jersey can and should serve as an incubator for new "green jobs" by promoting policies that encourage the research, development and ultimate manufacture of green technologies in the State.

ITEM 4 – ADOPT TAX CODE RECOMMENDATIONS

Single Sales Factor Reform, eliminates the a corporate tax penalty for NJ Businesses. NJ SEED strongly urges reforming taxation policies to better support businesses and grow jobs by:

1. conforming the net operating loss tax policies to national standards,
2. enacting single sales factor business tax reform for businesses in phases, and
3. expand the Invest NJ Plan to Manufacturing

While New Jersey has made considerable progress in reforming the net operating loss provisions there are several factors that remain unaddressed and should be incorporated into ongoing reforms.

Single Sales Factor reform eliminates the hidden "headquarters" tax for businesses by basing New Jersey business taxes solely on New Jersey-based sales, not on a combination of sales, property and number of employees. The current system penalizes companies who have a large number of employees and substantial amounts of property in the state. Currently, seventeen states have implemented or are phasing in a form of single sales factor tax reform. New York and Pennsylvania are currently phasing in single sales factor tax reform. Both of these tax reforms could be phased in gradually, limiting the impact on state revenues, while reducing the cost of doing business in New Jersey and retaining and attracting more jobs.

Offering a limited NJ tax credit of up to 20% for manufacturers who buy equipment will encourage job retention. Currently, access to this and similar types of tax credits are limited to aggressive job expansion, and are unlikely to be used in this economic time.

ITEM 5- IMPROVE PERMIT EFFICIENCY

In summer of 2008, the DEP Permit Efficiency Review Task Force, established by Administrative Order 2009-06 on March 18, 2009, delivered its findings to Commissioner Jackson, of the NJ Department of Environmental Protection. The Task Force was formed under the leadership of Governor Corzine and Commissioner Jackson. Implementation of this broad based Task Force's report would have a significant impact improving the operations of the DEP and generate a legacy of accomplishment.

As an example, the report recognizes that there are projects on hold, waiting for permit approval, that have no impact on the environment or could have a positive effect on the environment but are back logged among more complicated permit requests. These "low hanging pieces of fruit" and other recommendations within the report can develop reforms that will translate to work and jobs that will benefit NJ's economy in the immediate future.

ITEM 6- INCREASE LIFE SCIENCES AND EDUCATION SUPPORT

New Jersey is home to more than 80,000 employees in the various life sciences sectors of pharmaceutical, medical technology, diagnostics and biotechnology. According to a 2004 study of the Milken Institute, the life sciences industry also supports more than 218,000 jobs from service vendors, research institutions and others. This industry, like so many others has made changes to stay cutting edge during these trying economic times. Favorable Federal policies particularly in the area of FDA reform, Medicare Part D and treatment of chronic disease will help to keep NJ a headquarters state for many of the world's leading pharmaceutical companies. Federal policy drives this sector; and as such has a huge impact in the economic model of the state of NJ as ours is a huge headquarters state for the industry.

ITEM 7-TELECOMMUNICATIONS - ENHANCING NETWORK CAPACITY AND PROMOTING CONTINUED WIRELESS GROWTH

New Jersey's role as a national leader in technology and communications is of core importance to New Jersey's economy and ongoing business development. According to the Information Technology and Innovation Foundation, New Jersey ranks third in the nation in deployment of residential and business broadband telecommunications; thereby demonstrating that the state recognizes the importance of broadband access among all platforms.

To promote growth and innovation, New Jersey needs policies that enhance broadband deployment, ensure accessibility and maintain the rapid growth of the wireless industry



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— all with the goal of bringing reliable broadband service and lower prices to consumers.

The above represents priority policies for NJ SEED, but is only an abstract from our larger “road map” to a better New Jersey as found in our State and Federal Briefing Books. These and other NJ SEED resources can be found online at www.njseed.org.