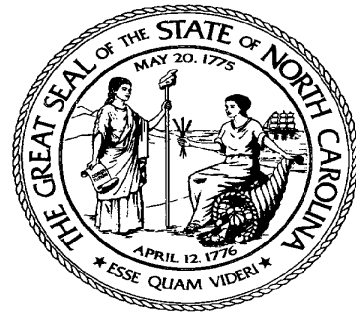


LEGISLATIVE UPDATE



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Unlikely Roommates— Minimum Wage and Health Insurance Tax Credit

The latest Elon University poll shows that more than 75% of North Carolinians polled want the minimum wage increased to at least \$6.50. Currently, North Carolina tracks the federal requirement of \$5.15. Attempts in D.C. to raise the amount to \$7.25 failed last year in the US Senate. After two failed attempts last year, the North Carolina House passed a bill with a \$6 minimum wage. HB20 also included an \$800 health insurance tax credit for businesses with 25 or fewer employees.

Both issues in HB20 are popular with voters, and this is an election year with several swing races. Treasurer Richard Moore has made the minimum wage a campaign issue, and with new leadership, the NAACP will become more active in attempts to increase the minimum wage.

Opposition for the bill in the Senate seems to have subsided, and support for passage for both the minimum wage and tax credit appears to be gaining. CAI has been opposed to an increase in the minimum wage because research has shown that it "ratchets up" the wage scale all the way up the ladder. Using Congressional Budget Office estimates, an 85 cent increase in the minimum wage would cost North Carolina business \$81,300,000.

Nothing Yet on Workers' Comp Committee

The Study Committee on Workers' Comp benefits still has not been appointed. Rumors at the legislature are that the Senate has completed its appointments and is waiting for the Speaker's Office to appoint one more member. Sen. David Hoyle, who will Co-Chair the Committee, was hoping to have the first meeting February 28. The proposed new date was March 28, but that now appears unlikely.

At this rate, there will probably not be workers' comp legislation debated in this short session, which begins May 9. It is CAI's hope the Speaker will make his appointment soon so the Committee can begin researching this very technical issue. The 2005 long session showed the business community that the legislature is not convinced there is a problem with workers' comp. You can thank the effective grassroots effort of the trial lawyers for this perception.

Many CAI members responded to a request for workers' comp examples. We will keep you posted on the type of examples needed in the future once the Workers' Comp Committee begins meeting.

Featured Company

Tweetsie Railroad

As North Carolina's first theme park, "Tweetsie continues to thrive as one of the few true family attractions remaining for clean, fun entertainment," says Executive Vice President Chris Robbins.

Tweetsie Railroad's No. 12 narrow-gauge, coal-fired steam locomotive was built in 1917 for the East Tennessee and Western North Carolina Railroad (ET&WNC), which ran from Johnson City, TN, to Boone, NC, and cost \$14,000 to build.

Torrential rains washed away large sections of the ET&WNC track in 1940, forcing the company to abandon service to the mountains rather than rebuild. The company discontinued all rail services in 1950.

In 1955, Gene Autry "The Singing Cowboy," signed an option to buy ET&WNC's only surviving steam locomotive and move it to California. After determining it was too costly to ship the 80-ton engine to the West Coast, Autry sold his rights to the rail system for \$1 to Grover C. Robbins, Jr. of Blowing Rock.

In July 1957, as the amusement park opened its gates for the first time, the engine made its inaugural run down a one-mile track to the picnic area. Since that time, millions of visitors have come to the North Carolina Mountains to enjoy Tweetsie Railroad.

Tweetsie Railroad supports the legislative advocacy efforts of CAI because they understand that a good business climate in North Carolina is important for all citizens.