

OFFICE OF THE GOVERNOR
Communications Office – Gov. Earl Ray Tomblin

FOR IMMEDIATE RELEASE
August 29, 2012

Contact: Amy Goodwin
304-558-4977

**GOVERNOR TOMBLIN DELIVERS
STATEWIDE MESSAGE**

The governor led moment of silence for fallen State Trooper

WHITE SULPHUR SPRINGS, W.Va. –Governor Earl Ray Tomblin today led more than 600 business leaders in a moment of silence in honor of the fallen State Police Trooper who was fatally wounded last night. The governor spoke with business leaders from across the state at the West Virginia Chamber of Commerce 76th Annual Meeting and Business Summit held at The Greenbrier Resort.

Gov. Tomblin’s remarks, as prepared for delivery, are included below:

“Good afternoon. Thank you for inviting me to join you here today.

“I want to take a moment to reflect upon a tragic incident that took place last night in Clay County. We lost a brave State Trooper when a routine traffic stop became anything but routine. Today, another State Trooper remains hospitalized and a local Roane County Sheriff’s Deputy is recovering from his injuries. In honor of the fallen, and of all the brave men and women who wear the uniform—please join me in a moment of silence.

“Thank you. I have a lot of respect for our law enforcement officers who work every day to keep our families, your businesses and our communities safe

“I have a lot of respect for the Chamber of Commerce and its work. I want to congratulate you. For the 3rd consecutive year, our State Chamber of Commerce is leading the nation in membership retention and growth. Congratulations President Roberts, and I want to thank each chamber member for your continued commitment to working together. All of you are deeply committed to the future of this great state, and I appreciate your investment in and dedication to West Virginia.

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“It’s no secret the entire country has been facing some serious financial hardships in recent years. Many states and Washington DC have seen unsustainable budget deficits and devastating cuts to education and infrastructure. On top of that, uncertainty and ill-advised policies from Washington and a sluggish worldwide economy are hampering our job growth potential here at home. Senator Manchin – I know it’s a hard fight, but we are so proud of your efforts to bring sanity and responsible governance to DC.

“While West Virginia was not hit as hard as the rest of the nation, we certainly felt the effects of the Great Recession, and too many are looking for work. I know we still have many families who are struggling to make ends meet. I want to assure you, I’m doing everything I can to help get us through these hard times.

“Today I want to give you a brief glimpse into what we have done and what we will continue to do to prepare for the future. I have worked over my career to create a conservative fiscal management philosophy for our State. One where we manage our budgets, address our problems, maximize our opportunities, and work together for West Virginia. One year ago I pledged to continue my efforts in leading our state. It has been a busy, but I think productive, time for West Virginia. While we still have challenges – we are moving in the right direction.

“Thanks to the progress made in our business climate, we are poised for economic growth. First, we have continued to improve our State’s finances by increasing our reserves, addressing our liabilities, and balancing our budgets. We have increased the size of our Rainy Day Funds. Since I became Governor, our Rainy Day Funds have grown by almost one-quarter of a billion dollars. We now have over 880 million dollars in our Rainy Day Funds – over 20 percent of our budget. Since 2006, our Rainy Day Funds have grown by a staggering 71 percent. State Budget Solutions, a non-partisan group in Virginia, which analyzes state revenues and expenses, ranks our state 3rd in the country for budget health and 3rd in the country for cash reserves.

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“We’ve also been able to address our long-term liabilities. We have previously addressed our Teachers, Judges and Troopers Retirement Systems. And, of course, workers compensation. Earlier this year, I signed a bill to address our last major outstanding liability. That bill created and implemented a plan to pay down our Other Post-Employment Benefits or OPEB costs. And we did so without a tax increase. Let me be clear, we also did it while ensuring the additional severance tax being used to pay off our old workers’ compensation deficit will be removed when that debt is retired. If we remain vigilant with our PEIA Finance Board, our OPEB liabilities are just one more thing that we have taken steps to manage.

“I am committed to our long-term financial security, and I’m proud to tell you our commitment is paying off. I’ve worked with Wall Street rating agencies to tell them about our success. Our credit rating has improved three years in a row and is now AA-plus, the highest it has been in decades. Armed with these credit rating increases, we have refinanced a portion of our debt. These efforts will save taxpayers almost 28 million dollars.

“I am not going to tell you that the future is going to be easy. With burgeoning Medicaid expenses, the 2014 budget will be challenging. Under my watch, we will handle it in a responsible manner. This is why last month I ordered our state agencies to tighten their belts. I commit to you today to continue to maintain our fiscally conservative philosophy. And I have ordered a top down review of Medicaid and DHHR. We can and will do better at managing our state’s health care costs.

“The good planning we did over the past several years has positioned us well to weather the effects of a sluggish national economy and deal with increasing medical costs. And while we have balanced our budgets and continued to put our financial house in order, we have continued to lower the costs of doing business.

“West Virginia hasn’t had a general tax increase in 17 years. Let me say that again. . . we haven’t had a tax increase in 17 years. By 2015, we will have eliminated the business

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franchise tax, and will have significantly reduced the corporate net income tax, with a 30 million dollar reduction already in place for this year. We have already passed legislation to cut taxes twice in 2013. In the past 20 months, we have cut the sales tax on food from 3 cents to 1 cent and it will be completely eliminated next year. The reductions are already saving seniors and families 52 million dollars per year, and it also is a boost to businesses in our border counties. These tax cuts are putting money back into the pockets of hard-working West Virginians and making it easier for you – the businessmen and women who employ them.

“With a healthy Rainy Day Fund, I am committed to making sure the tax reductions we have put in motion become a reality. And these efforts benefit companies, both large and small. Small businesses play a major role in our State’s economy. In fact, 97 percent of West Virginia companies are classified as small businesses.

“Although it isn’t mentioned every day, we as a State do work hard to promote our small businesses. We want to ensure small businesses have access to capital, assistance with worker training, and help with management issues they may encounter.

“I would be remiss if I didn’t mention to this group that our workers compensation system continues to improve. Since I became Governor, rates have been reduced by over 20 percent. All told, since 2005, when Governor Manchin and the Legislature privatized our workers’ compensation system, rates have decreased by over 60 percent, which means an annualized savings of 208 million dollars to you. But we must be vigilant to make sure our system remains strong. We must take steps to preserve Rule 20 and make sure the Insurance Commission and the Industrial Council remain empowered as decision-makers. My mentality is simple: We fixed it. Leave it alone!! Privatization has been a huge success. TJ – you, Greg, and everyone else at BrickStreet are a huge part of that success story – thank you.

“We have another serious problem—substance abuse—and I’m committed to solving it. Earlier this year, I formed the Governor’s Advisory Council on Substance Abuse and

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six regional task forces. The task forces brought together individuals from local communities to identify each region's particular issues and underlying causes. And the Governor's Advisory Council reviewed each region's recommendations and developed a plan to rescue our families and communities from this persistent drug problem. They have done great work, and I'm already putting their recommendations into action.

"I'm also looking at this problem from your perspective—the employer. Earlier this summer, I signed an executive order requiring potential employees receiving job training from the state, to pass a drug test before they begin the training. We have a long way to go, but I assure you we're on the right track to ridding our communities of drugs.

"I know we still have work to do. We have accomplished a lot. But I am not satisfied with where West Virginia is right now. Our agencies need to be better at the job they do. Our tax structure needs additional work. We will find ways to improve our regulatory climate. Now that we have momentum on our side, it is time to really put forth the effort to make our state shine. I have a record of bringing Republicans and Democrats together to make a difference. You have my word that I will continue to do so.

"As leader of this state, I also know that some individuals want to do nothing but tear West Virginia down. I think we ought to be telling people about the positive things we have done----and the positive things that are happening in West Virginia. The efforts --led by many in this room-- over the past twenty-five years are starting to pay off. Others are recognizing that West Virginia is a place where businesses can and do succeed.

"Moody's now says business costs in our state are the 3rd lowest in the country. And in the meantime--West Virginia's exports increased to a record 9 billion dollars last year. West Virginia ranks 3rd in the nation for Gross Domestic Product growth. Our GDP growth is 3 TIMES the national average of 1.5 percent. And, the state is considered

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one of the most attractive locations for oil and gas development in the world. Gallup ranked West Virginia 3rd in the country for our potential to create jobs.

“Since I’ve taken office, dozens of companies have pledged to invest a total of 4.7 billion dollars and create more than 6,000 new jobs. Global leaders, like Williams, Macy’s, Wheeling Nisshin, Gestamp, Toyota and Hino Motors have recognized the great things our state has to offer and set up shop or expanded here in West Virginia. And tomorrow I’ll be making another jobs announcement in the northern panhandle of 100 new jobs.

“I have worked hard to bring good-paying jobs to West Virginia. I have said time and time again I’d go anywhere and do anything to bring jobs to the Mountain State. On my weeklong trade mission to Japan, I had the opportunity to meet *both* with Japanese companies already doing business here in West Virginia and companies interested in creating more jobs. We have built a reputation of excellence that yields job growth and business investment. Fostering these relationships and building new ones, three Japanese companies are expanding in West Virginia. These announcements from Wheeling Nisshin, Hino Motors and Nippon Thermostat total over 34 million dollars being put directly into our state’s economy. And there is more we can do.

“We need to continue to think of ways to improve our business climate. Our legal system has improved in many respects, particularly medical malpractice and workers compensation cases. And new rules developed by the court have improved by providing the rationale behind the court’s decision-making process. The court should be given credit for responding to criticism about the manner in which it rejected or heard cases. But again, we must be vigilant. There is more work that can be done. As with every other aspect of Government, we must make sure that our legal system is not out of step with other states. So whether it is an intermediate court of appeals, medical monitoring, case management, interest rates on appeal, deliberate intent causes of action, or limits

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on when final paychecks must be made, I am committed to working with you to bring everyone to the table and find solutions to improve our legal system.

“We’re also committed to finding ways to build and maintain our roads well into the future. The people who have committed to serve on my blue ribbon commission represent the best and brightest in the industry. I’m confident we will find creative ways to build the roads that are a key part of economic development in our state.

“Just as the cost of doing business is important, I think everyone in this room knows the importance of an educated workforce. That is why this year I submitted and the Legislature passed legislation to obtain a waiver from the federal No Child Left Behind law. And I sought a comprehensive audit of our state’s education system because our economic future depends upon our classroom successes. The audit revealed a lot of potential changes. As we move forward, I want to hear from West Virginians—business leaders, teachers, and parents. I want to thank Steve Roberts and the Chamber of Commerce for supporting a series of town hall style workshops that encouraged people to talk about the audit and brainstorm how best to proceed. I want to thank the members of Vision Shared who participated in these statewide meetings and who know that quality education is our goal. We all must work together to achieve that goal for our young people.

“The manufacturing industry and our community and technical colleges are a prime example of this partnership. Earlier this summer I had the pleasure of announcing a new education-to-work program. The Advanced Manufacturing Technician Program allows students to earn an associate degree, pay for their college education and build their skill set all at the same time—because they’re working and going to school simultaneously. This program is an example of our schools meeting businesses needs now. The same can be said of the natural gas industry and our higher education facilities.

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“The Marcellus Shale development and the potential economic and job growth that an ethane cracker brings is astounding. Last year I promised you that we would adopt clear and responsible Marcellus shale rules. And we did. In December of last year, I called the Legislature into session, bringing Republicans and Democrats together to pass a meaningful regulatory process. We did it the right way. We are working with the private sector to take advantage of our natural gas resources by converting more vehicles to compressed natural gas, which will help increase our energy independence. We will see a resurgence in our manufacturing sector thanks to the variety of goods that can be made from the Marcellus byproducts. And yes, we are working as hard as we can to help attract a cracker and other petrochemical industries.

“Before I close, let me just say that over the next few months you will hear a lot about how I haven’t stood up for business or worked to manage this state. As I have said today, I have worked tirelessly to improve our tax structure, our finances, and take steps to allow you do to what you do best – invest in our state. And I always will fight for the core principles that have improved West Virginia.

“I am not afraid of a good fight either, particularly with the EPA. I believe in the production of coal, its value to our country, and I will continue to do everything that I can to fight the EPA and the Obama administration. Coal is an integral part of the fabric of our state. And I plan on keeping it that way. We have already won four court battles against the EPA, and more are on the way.

“The economic growth and continued stability of our state are because of people like you. People who want to perform their very best and who want their communities to thrive. And I’m very proud of what we’ve accomplished together so far, and I can tell you the best is yet to come.

“Thanks again for your commitment to the community and our state. You are a vital part of our success. I thank you, I thank the chamber, and may God bless the great state of West Virginia.

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“As I mentioned earlier in my remarks, the Marcellus Shale has presented West Virginia with tremendous opportunities. America’s natural gas alliance explores that issue in the following video, which I invite you to watch with me now.”

---Governor Earl Ray Tomblin

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