



Friday, August 21, 2009

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Centerpiece

This week, *GCSIntel* was able to participate in a discussion with Senate Majority Leader Mike Bishop regarding the state's energy law, the potential housing of Guantanamo Bay detainees and the state's budget.

**Q. Have you been looking at the cap on alternative energy providers under Public Act 141 in light of the fact that it has reached the Consumers Energy territory?**

A. Well, we just went through this whole debate and one of the reasons why the cap appeared in the first place was to bring some certainty to the process. It's [energy] such a volatile commodity, and we knew that and one of the ways we tried to address that was to determine a cap. As a part of that cap, those that were already using competition were allowed to expand the use of competition, and we also had other options that would allow the use of competition. Competition is good -- we're going to need to look at it and see if there is a trend and be wise how we marshal public policy.

**Q. Are you comfortable with the way utility rates have been going? Are we competitive enough?**

A. No one is comfortable with the massive increases you see in rates, but I think it's a further example of why we in Michigan have to become more independent with our energy. We have to figure out how to address that need of increased capacity.

The governor after we passed the provisions we did, subsequently came out and tried to limit capacity and scale back what we're doing, and I think that's exactly the wrong way to go. We really have got to be wise as to how we talk about this and not get too far down the path without seeing what the trend is.

But, it's key to our consumers out there that we do whatever we can to control rates -- if that means increased capacity then we need to do it; if that means increased competition, we need to talk about it.

**Q. But, you think the law is good for now, or do you expect a change?**

A. We've seen our first spike, and that caught our attention. It has all of our policy team looking at it to see if there is something that we can do immediately to address the issue. We don't want to act without seeing a trend, and we don't want to act without reviewing all of our options.

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**Q. Moving Guantanamo Bay prisoners to Standish, Michigan -- what's your reaction to that prospect?**

A. It's incredible to me that this is even being considered. We've not been given any insight into what's coming to our state or potentially could come. I don't know; I've not been given clearance to see the files on some of these detainees, and I'm not comfortable making that assessment.

I am strongly opposed to Gitmo detainees being transferred to Michigan without that information so I can make a decision as to what our exposure is. But, initially I would say it's a bad idea. There are some economic issues involved with this, and it's tempting for us to look for ways to bring revenues to the state, but at the expense of public safety -- I don't think so.

**Q. But your opposition is conditional . . .**

A. But they've asked me to answer a question without getting any information. The federal government has come in here, and they're touring all these facilities right now and suggesting they're going to move their prisoners in without even discussing it with the state legislature.

So, I oppose it; I oppose that whole concept that we shouldn't be advised. I don't think the governor has clearance on some of these classified individuals and that can never be. She should be adamantly opposed until she gets that clearance.

**Q. Would this require legislative action to complete?**

A. Well, put it this way -- from the information I have right now, I believe it would require legislative action -- but I'm not privy to all the discussions that are going on. This would be a massive change in position for that prison.

It's not just transferring a prisoner to a facility; we are now taking international terrorists and moving them out of a facility that was specifically designed to house them and moving them into another environment -- while maximum security -- was never intended for that purpose. Nor were any of the employees trained for that service.

So, you've got employees that won't be reemployed -- they'll bring federal agents into supplant all of our current employees because we just don't have the training for it. These are very seriously dangerous criminals, the worst in the world.

**Q. Isn't it fair to say they're no more dangerous than the rapists and murderers that are out in California?**

A. Let me just say there are guards in Guantanamo that have been specifically trained for that prison -- and until we can see the background we don't know what threat they pose. I would venture these prisoners are far more dangerous than anything we've ever seen. These are people that again, but they are there for a reason, they are bad guys and I really don't want to have anything to do with that element at all. I don't want to bring that kind of exposure to our state, to the people we represent.

**Q. You said it would require legislative action -- what kind of legislative action?**

A. That's a good question. We're going to have to figure out how to empower these facilities to take jurisdiction over international criminals. Once we take jurisdiction -- maybe it's just the federal level -- this is just a state prison. I believe there has to be some kind of state law to address that issue.

**Q. So when is the next quadrant meeting, and how are things coming as far as putting together a plan?**

A. We continue to move forward; we try to meet as frequently as possible. I meet with the budget director frequently to talk about the proposal. The Senate has moved over its proposal, and we feel comfortable that our proposal is the right way to go under the circumstances -- as difficult as it was we believe, it was the right decision to make.

The House has not yet produced a written proposal nor has it moved anything. I've advised the Governor and the Speaker of the House on numerous occasions that I don't have votes for a tax increase, period. If they think they have in the House, then they need to move their proposal over here.

I don't think they have the votes. I think their members agree with us that this is the wrong time to raise taxes. Nonetheless if they continue to stay in their position -- where they're not moving - they need to produce a specific proposal and they need to move it. We all need to know if there are votes there. I think the gimmick is you wait until the last second when it's an emergency situation, and you think that pressure is going to be the impetus to push them over the edge.

***GCSEye On The Capitol***

***House Panel Moves Subpoena Power Resolution -- Won't Use It Unless Needed***

It was the last item on the agenda, but the first to be taken up in the House Judiciary Committee Wednesday morning.

In a move that surprised both the assembled audience and the Republican panel members, Chair Mark Meadows (D-East Lansing) took up his own resolution, HR 123, which would extend subpoena power to the committee.

Minority Vice Chair Tonya Schuitmaker (R-Lawton) was visibly frustrated by the move.

"Are we allowed to ask any questions?" she asked, before stating, "I have not been presented any factual necessity to this -- why this needs to be done," she said of the new power Meadows' resolution grabs for the committee. She insinuated that the request had something to do with the earlier tussle with Attorney General Mike Cox over him directing funds from a settlement with Countrywide Mortgage toward two park projects in Grand Rapids.

"My understanding is that the AG has put up all the documents that have been requested of him," she added.

"It doesn't have anything to do with the attorney general's office," Meadows said, adding that to him it seemed that every House committee should seek the same authority, as it is useful and a "given" for legislative committees at the federal level.

"We're not going to use this unless we have to," he added.

#### State's Unemployment Drops Marginally

Unemployment dropped two-tenths of a percentage point from June to July to 15 percent, but state officials warned that the drop has more to do with a numerical footnote than an improvement in the state economy, the Department of Energy, Labor & Economic Growth (DELEG) reported Wednesday.

Unemployment dipped by 9,000 and total employment increased slightly by 5,000.

"The Michigan jobless rate stabilized a bit in July, as hiring occurred in hotels and the nursing and residential care industry," said Rick Waclawek, director of DELEG's Bureau of Labor Market Information and Strategic Initiatives. "However, because of the large number of auto workers already on layoff in June, the July model-changeover auto plant shutdowns resulted in fewer worker layoffs than usual."

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Since fewer workers were laid off due to the changeover, Waclawek said the higher level of seasonally adjusted manufacturing jobs in July does not reflect any real improvement in the job picture, but is just an artifact of the seasonal adjustment process.

#### **The Week Ahead**

The House and Senate won't return to session until Wednesday marking the passing of another summer week as legislative leaders and the governor continue working on a budget solution.

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