

SUMMARY

Roundtable Proceedings

September 28-30, 1986

UCROSS FOUNDATION

"Roundtable on Industry in Wyoming"

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I. WHAT DOES WYOMING HAVE TO OFFER INDUSTRY?

A. As a state, Wyoming offers to industry

1. A financially sound business climate, with a favorable tax structure for business (no corporate income tax), low cost sources of power, large expanses of inexpensive land on which to build and currently vacant facilities which can be taken over by incoming businesses, and financing available from in-place banking and savings and loans establishments.
2. A productive and willing work force, in a right-to-work environment, with a good labor climate.
3. An accessible and solvent state government.
4. Tangible and intangible benefits to offer employees, including excellent educational facilities, good recreational opportunities, quality health care, and a life style considered by residents to be among the finest in the U.S., inexpensive and plentiful housing, and no personal income tax.
5. A good ground transportation system, including railways and some of the best highways in the world.
6. Access to water and other abundant natural resources such as coal, oil and gas, and alternative energy supplies such as thermal, solar and wind energy.

B. Disadvantages to locating in Wyoming were listed by the group as follows:

- climate
- cowboy image
- air transportation
- high labor costs
- remoteness from market and supplies
- capital availability
- no urban centers
- low rank in business climate surveys (#50 according to Inc. as of 10/1/86)
- no communication and promotion by state agencies
- anti-business climate
- media attitude towards business
- poor telecommunications network
- populism
- minimal access to upper division higher education
- foreign competition

## II. HOW CAN INDUSTRY FURTHER ENHANCE THE HEALTH OF WYOMING?

### A. Industry can help Wyoming

1. By improving transportation and communications systems within the state. As the need and demand for air, rail, and interstate highway transportation increase by industry, the greater the response in providing these services will be. Likewise, a large industry or number of industries in Wyoming will demand quality telecommunications systems. Presence of this larger demand would justify the expense and effort of installation, and would benefit the entire state, not just the industries which require the systems.
2. By creating more job opportunities within the state, not only in the industry directly but in service industries, schools, and support industries. Also, by making in-state purchases of goods and materials. Such opportunities could utilize the work force already in existence, thus getting people off the unemployment rolls. The benefit would then be greater than just giving someone a job, because the amount of unemployment benefits paid out would also be reduced. Also, empty facilities could be used, rejuvenating the economy in "bust" areas of the state.
3. Other direct fiscal benefits to the state would be economic diversity, which is healthier than having only one or a few economic bases; a broader, larger tax base; expanded access to capital markets for all Wyoming businesses; expansion of existing energy (in supplying goods and services); and expansion of in-state research and development. As industries grow the entire business climate thrives, creating more growth, exports, interfacing with other businesses and industrial associations, and improved interbusiness communication. A successful business climate generates more business.
4. Potential development of educational resources at vo-tech schools, the university, community colleges and high schools, to train the work force necessary to staff industries, plus potential encouragement of employees to continue their educations. By providing job performance requirements, employees trained in industrial skills in Wyoming can be on a par with any workers in the nation, thus elevating the reputation of Wyoming business as a whole.

5. By being a leader in providing long-term planning to avoid the boom/bust cycle and by expecting and receiving better communication with all levels of government in Wyoming so the state can act as a unified system.
6. By encouraging employees to be civic minded and to participate in charitable and social service nonprofit organizations, thus elevating the quality, of life as a whole in Wyoming.

B. During discussion, participants listed businesses which they thought could be established or enlarged in Wyoming. These include:

airplane construction	expansion of Ft. Guernsey to
petro-chemical ind.	a federal training center
ceramics	cattle feeding
meat packing	potato chip production
land fills	radioactive/toxic waste
steel processing	facilities
brewery	grain alcohol production
chip board plant	furniture manufacture
expanded nat'l defense	federal prisons
glass plant	wool processing
paint manufacturing	lamb processing
air transport hub	pulp processing
data processing center	warehousing
credit card center	coupon redemption center
gambling	mail order sales
sattellite uplines	hydroponics
power plants	atmospheric research
water management	health centers
CO <sup>2</sup> processing	

III. WHAT ARE THE ISSUES/OBJECTIVES OF MUTUAL INTEREST TO INDUSTRY AND THE STATE WHICH, ADDRESSED WITH APPROPRIATE LEADERSHIP, COULD BENEFIT BOTH?

A. The primary issues which could benefit both industry and the state include:

1. Making the financial picture easier for new businesses by providing:
  - a) venture capital
  - b) industrial bonds
  - c) a graduated property tax (e.g., 20 percent in year 1, 100 percent in year 5)
  - d) a solid, solvent worker's compensation program
  - e) low cost building and land prices
  - f) lower or favorable telephone rates for data transmission
  - g) no inventory tax
  - h) price protection on low labor rates
  - i) preference for Wyoming Bidders on contracts within the state, not just on state government contracts
2. Simplifying the process of establishing a business in Wyoming by:
  - a) creating a computer hardware/software infrastructure
  - b) encouraging, by state government, the local acceptance of major new industries, by a state level pro-business advocate
  - c) centralizing information on state programs available to help entrepreneurs
  - d) creating a business directory of Wyoming firms that would help entrepreneurs find new markets
  - e) creating an "ambassadorship" program wherein representatives of state businesses meet with entrepreneurs interested in establishing business in Wyoming to answer questions and offer assistance to those entrepreneurs
  - f) creating a position of State Planner to promote business development
  - g) streamlining and centralizing licensing and permitting procedures
  - h) minimizing employee laws
  - i) providing favorable trucking rates and route; coordination with adjacent states to have uniform permitting and regulations

3. Providing a better working climate through:
  - a) state-provided training in computer skills, and vo-tech training from high school through adult education levels
  
4. Other suggestions made during this discussion included:
  - a) providing incentives for industry to comply with licensing and permitting procedures
  - b) legislating a low level radioactive waste site, for such things as waste from X-ray units
  - c) minimizing state regulations on borrowers and lenders (e.g., higher usury rates and low disclosure requirements)
  - d) legalizing gambling at the county level, with proceeds to go to counties, municipalities and social service programs
  - e) providing improved transportation of power and access to thermal energy
  - f) tapping the University of Wyoming for research assistance and product development
  - g) providing state subsidies of air transportation
  - h) supporting continued tort reform

IV. SELECT A PLAN OF ACTION TO DEVELOP SOME PHASE OF ENHANCING PUBLIC/PRIVATE PARTNERSHIPS

A. Out of the preliminary discussion, these basic issues emerged:

1. promoting the passage of Amendment 4
2. developing consistent policy for channeling of funds (state, local, and private) to local economic development boards
3. creating a policy for consistent and favorable treatment of taxing and regulation of existing industry
4. creating the position of a cabinet level state economic development coordinator who would:
  - a) streamline administrative requirements
  - b) coordinate U.W. research and assistance
  - c) attract and nurture industry
5. providing a sound Workers' Compensation program while promoting low cost, beneficial health insurance
6. providing a central source of capital (i.e., knowledge of capital sources in state in one central office)

Following are three plans (GOALS) for action.

AMENDMENT 4

GOAL Passage of Amendment 4, which provides for up to 1 percent of state reserve funds to be used for economic development in Wyoming.

COMMENTS The Wyoming Enterprise Fund probably cannot raise the \$7 million it has as its goal, and passage of Amendment 4 would be the only way to do so. The state is the only viable source of debt and equity financing for economic development and loan guarantees. Funding for these things would flow naturally from the passage of Amendment 4, as would the provision of venture capital.

LEADERS in this effort should be

- candidates for governor and the legislature
- Wyoming Association of Municipalities
- Citizens for Economic Development

COMMENT Citizens for Economic Development is in action as of 9/21/86

PROPOSERS of this effort would be:

- unions
- Chambers of Commerce
- Wyoming Economic Development Authority
- Tom Stroock
- Alan Stauffer
- Ron Micheli

OPPONENTS to this effort might be:

- Wyoming Banking Association

COMMENT It should be made clear to opponents and the general public that the 1 percent amount is an upper limit to the fund, not a mandatory amount.

The agricultural community would be the NEUTRAL PARTICIPANTS in this effort.



The FIRST STEP in this effort has already taken place, through formation of Citizens for Economic Development (2416 Plainview Drive, Cheyenne, WY 82009). Another step which should be taken is a joint statement of support for passage by both gubernatorial candidates. A further step includes education of the public through political involvement and expanded media coverage. Voters need to be aware that a failure to vote on the amendment counts as a "no" vote.

The total process will be complete by November 4, 1986.

ASSISTANCE AND ENHANCEMENT can be provided through public education, donations to Citizens for Economic Development, and involvement with the media via guest editorials on television and in newspapers and through letters to the editor.

STATE ECONOMIC DEVELOPMENT

GOAL Provide state coordination of diverse regional industrial growth and/or stabilization.

COMMENT Objectives are to attract and put to work outside industry and promote expansion of existing industry. Current EDS Board is not working adequately. Strong leadership is necessary to develop opportunities which are indeed available.

LEADERS in this effort should be:

- the governor
- the EDS Board
- the Economic Development Coordinator (see below)

COMMENT The EDS Board and coordinator noted here are not necessarily intended to be the same as the ones currently in existence but the same individuals could be participants.

PROPOSERS of this effort would be:

- EDS Board
- business representatives
- political subdivisions
- labor unions
- University of Wyoming
- services/utilities

COMMENT U.W. is not currently part of the EDS Board, and should be given incentives to participate. The new EDS Board members should be made up of representatives from the proposers list.

OPPOSERS to this effort might be those people opposed to change.

NEUTRAL PARTICIPANTS in this effort would be existing businesses in the state which are not in need of assistance by the EDS Board.

The FIRST STEPS would be to:

- appoint a board of directors who would then HIRE a coordinator (rather than by political appointment)
- define the economic development mission in Wyoming

COMMENT Liaison should be made with local economic development boards so a common joint effort would be made.

The TIME to IMPLEMENT this plan is right now.

COMMENT Although some discussion was held concerning waiting for the new governor to take office, it was generally held that waiting to take action would only be a hindrance. Also, it may even be necessary to hire the coordinator from outside the state, if that is where the best talent is

The PROCESS should begin in the governor's office, with representatives of businesses and Chambers of Commerce present. The process would entail

- naming of the board and defining board's mission
- hiring coordinator
- hiring of staff by coordinator
- setting up the system as per the flow chart (following)

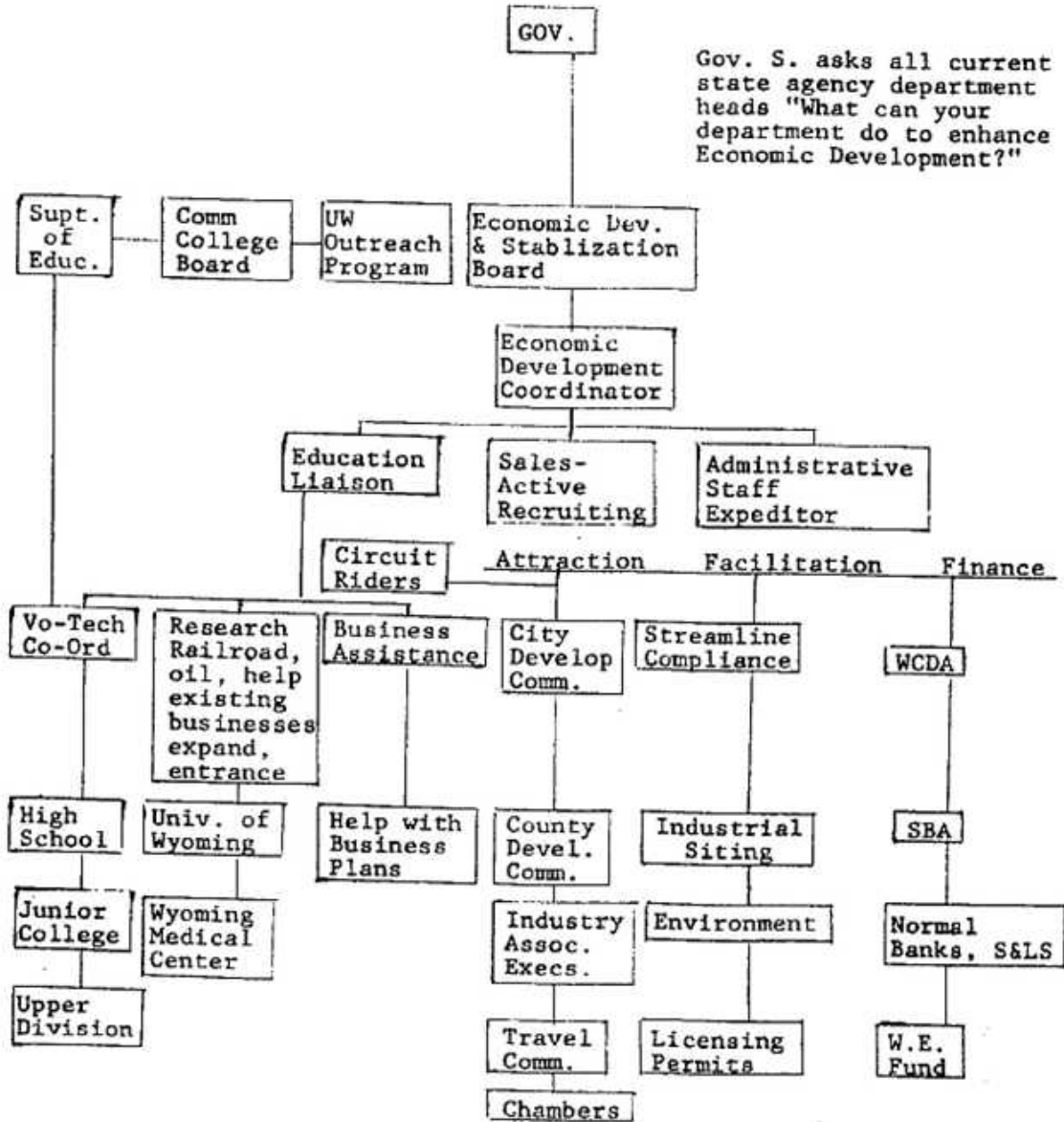
The TIMING of this process would be

- name board and define mission b: January 30, 1987
- hire coordinator by January 30, 1987
- staff hired by February 28, 1987
- approval of funding by end of 1987 legislative session
- funding to coordinator by May 1, 1987

ASSISTANCE AND ENHANCEMENT could be provided by

- the governor
- the legislature
- business leaders, including Chambers of Commerce, business associations, and the Wyoming Enterprise Fund
- the passage of Amendment 4
- local economic development boards

ECONOMIC DEVELOPMENT COORDINATOR



HINDRANCES may be brought by those generally opposed to change or opposed to the creation of another state agency.

These hindrances may be OVERCOME through leadership and communication on the part of political leaders in the state and elimination or combination of many state agencies which perform duplicative functions.

With good leadership, this project would be successful but, without leadership, it would fail. The primary leadership role would fall to the new governor.

COMMENT This idea is very similar to the EDS Board now in place, but could be much more potent. Suggestions included

- high participation by the governor, as Tom Janklow provided in South Dakota
- board formed independently by businessmen, not as another state agency, as was done in Montana
- business ambassadors to meet and confer with potential new industries
- Wyoming is new to manufacturing and industry fields and needs to be educated to compete competently with other states

An organizational flow-chart of the proposed coordinator, staff and advisees follows.

## EQUITABLE REGULATORY TREATMENT

GOAL To create a policy which provides clear, consistent and equitable regulatory treatment for existing industries

COMMENT Attracting new industry is crucial, but it is necessary to also take care of industries already established in Wyoming. By so doing, the overall picture to outside industries would be more attractive.

LEADERS in this effort should be

- the governor
- the Industrial Siting Council
- the Department of Environmental Quality
- key legislators, including committee members from mining and mineral committees and economic and industrial development committees
- news media

PROPONENTS to this effort would be

- leaders of industry
- trade associations
- EDS Board, local economic development boards
- Chambers of Commerce
- news media
- individual members of the Industrial Siting Council, the Environmental Quality Council and legislators

OPPONENTS to this effort might be

- environmental groups
- some members of the Industrial Siting Council
- some members of the Environmental Quality Council
- news media
- some industries
- League of Women Voters
- higher education
- Wyoming Attorney General's Office

NEUTRAL parties might include some of the same categories as in both the proponents and opponents' lists, the EDS Board, and organized labor

The FIRST STEP would be creation of a Blue Ribbon Panel which would report to the governor on administrative means to provide relief to industries which are regulated by state agencies. This would be followed by hiring a person who would serve as an APPEALS COURT and who could overturn decisions made by regulatory agencies when they are seen as capricious, inconsistent or unfair. The Blue Ribbon Panel would be formulated during the summer of 1987 so its recommendations could be made to the governor before the 1988 legislative session, at which time approval of the appeals court and funding for it could be approved. The panel should hold a press conference to announce its findings, which the governor could support through a separate announcement.

The PROCESS would further require

- cultivating donations for promotion from proponents
- educating the news media
- anticipating opposition and neutralizing it before criticism can be leveled
  - drafting a bill from the legislature to implement the appeals court
- cultivating bi-partisan cosponsors in the legislature
- lobbying efforts

ASSISTANCE to the effort can be provided by

- the governor
- key legislators
- key industry leaders
- business groups and trade associations
- news media

ENHANCEMENT can be provided by demonstrating the obvious connection with economic development

HINDRANCES will come from those who fear such a move would weaken environmental protection in Wyoming and those who oppose more bureaucracy in the state.

NEUTRALIZATION of the hindrances can be effected through showing that regulations are subjective and inconsistent, and that such a proposal offers the opportunity of overcoming problems without costly litigation.

There is a good chance of success of this proposal, because it actually solves a real problem. Industry itself must begin the effort to attain this goal, and it needs the official support of the governor.

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UCROSS FOUNDATION  
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