

Senate President Pro Tempore Del Marsh  
Press Clips  
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## **Alabama 'very attractive' as Southeast gains attention from international businesses and manufacturers**

Business leaders who call Alabama home know how much the state has to offer in terms of economic development potential. In the last five years, the state has attracted companies including [Remington](#), [Carpenter Technology](#) and [Golden Dragon Copper](#), among others.

Thanks in part to those recent successes, Alabama is in a position to compete "very well" for future opportunities in manufacturing, explained William Hearn, senior vice president of strategic consulting at [real estate firm CBRE](#) at [the Economic Development Association of Alabama's summer 2014 conference](#).

Hearn said that low, stable energy prices like the ones found here are helping drive the country's manufacturing boom.

"A lot of firms want to come here because of energy prices," he said. "From a global perspective, the U.S. is a very attractive place to do deals."

"The attitude is, 'If we can't do it in the U.S., we can't do it anywhere.' There is a strong impetus for folks from other parts of the world to set up and do business here," he said. "It can't all be made in China."

Hearn, who is also a founding member of the [Site Selectors Guild](#), said there is good news on the horizon for manufacturing in Alabama and nationwide. Companies are doing well, and wages are increasing.

"The data we are seeing shows that aggregate manufacturing wages are generally on the rise," he said. "For a state that is adding manufacturing jobs, that is a very positive sign. For so long, the country was shedding those jobs, but now there is growth there. I wouldn't call it overly robust, but it's definitely there."

When CBRE's global clients are looking to locate a facility in the U.S., they don't necessarily think about Alabama as a separate entity—they simply look to the Southeast as a whole, Hearn explained.

"Our clients don't think about Alabama, Georgia, Mississippi, they see the Southeast as a region, as a market, and they look at whether or not the region has the assets they need."

The Southeast has much to offer, Hearn said, referencing the 13 diverse states that comprise the region, as well as "pro-growth" policies and political stability.

"Not all regions have this. Sometimes we forget how good we have it. As a region we compete very favorably," he said, "Alabama just has to find ways to stand out from the pack."

[Alabama Governor Robert Bentley](#) is considering doing a study on how Alabama competes as part of the Southeast region, Hearn said. The study would focus on Alabama's ability to lure a new company to the state as compared to our neighbors.

"I think that's very smart," he said. "It's important to figure out how you compete, and benchmarking within the region makes a lot of sense. Alabama needs to figure out how, over the next five years, you're going to get more than your fair share."

While state or region can ever fully control a company's decision on where to locate new operations, Alabama can make the state more enticing by looking at where we've been and where we're going, Hearn said.

"Your strategy over the next five years should be how you can outperform the last five years," he said.

Hearn pointed to some "rising stars" in the Southeast that have been very attractive to new businesses over the last few years. They include Charleston, Nashville, Greenville, Spartanburg, Raleigh-Durham, and Baton Rouge.

Unfortunately, even though the Southeast has had many successes, Hearn said there are still many challenges to growth, including perception of poor public education, and the fact that our growth is outpacing our infrastructure, creating problems with transportation, roads and highways, and water. [Apparently, concerns over tornadoes is also a problem.](#)

In addition to real potential in manufacturing, Hearn said there's currently a pent up demand for certain capital projects including medium-sized back offices.

"A lot of companies are in high growth mode for back offices. Companies in insurance, financial services and banking. And there's additional capacity in Alabama for that," he says.

Other trends impacting the Southeast include inland port development and intermodal projects. Many companies are building intermodal facilities "with a developer in tow," Hearn said.

"They're setting up for large scale development," he said. "This is something to keep an eye on for the next 10 years. What is the role of Alabama in capturing some of that?"

CBRE, a global provider of services to commercial real estate investors and occupiers, is involved in almost 50% of major site selection projects in the U.S. every year, Hearn said. The company has worked with Fortune 500 companies including UBS, Disney, DuPont, BP, Dollar General, J.P. Morgan, Volvo, Kawasaki, and AT&T.

Companies interested in opening a business in Alabama can check out the [Economic Development Partnership of Alabama's](#) (EDPA) ["Advantage Alabama,"](#) an online site selection tool for site selectors, industry and entrepreneurs.

Advantage Alabama offers [the state's complete inventory of available buildings and sites](#), including a listing of AdvantageSites, which are sites that have already been vetted for permitting, electrical installation, geotechnical issues, land ownership issues, etc. The state currently has 49 AdvantageSites ready for construction according to Greg Knighton, vice president of the EDPA.

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## **In GOP South, pushback against Obama climate rules**

In the Republican-heavy Southeast, critics said Tuesday that a plan by President Barack Obama's administration to cut pollution would raise electricity prices, result in job losses and may not significantly curtail the carbon emissions blamed for global warming.

The criticism came as the U.S. Environmental Protection Agency held the first of two days of public hearings in Atlanta, Denver and Washington on the plan, which would force a 30 percent cut in carbon dioxide emissions from power plants by 2030 from levels seen in 2005. Federal officials have never before tried to restrict carbon dioxide emissions from existing power plants.

For critics, the hearings in Atlanta and Denver offered a chance to attack the proposed rules in states that are heavily Republican or historically dependent on coal mining and coal-burning power plants. Coal usage is already falling in some states. Georgia, for example, once produced more than half of its electricity from coal-fired plants, according to data from the U.S. Energy Information Administration. But coal produced about 28 percent of the state's energy in April.

Electric utilities have already started decreasing their reliance on coal because of earlier environmental rules and because natural gas is so cheap.

"Please leave us alone," said Republican utility regulator Lauren "Bubba" McDonald. "We set these goals ourselves, and we know how to achieve them."

Alabama Attorney General Luther Strange, a Republican, called for the EPA to withdraw its rule. Mines in northern Alabama produce bituminous coal that is burned at power plants, used in industrial facilities and exported to Europe and South America. Like Georgia, gas-fired power plants have gradually caught or surpassed coal plants.

"Congress did not intend the Clean Air Act to have such far-reaching consequences," Strange said.

The plan will likely mark one of Obama's biggest efforts in the final years of his presidency. Blocked from passing major climate change legislation in Congress, Obama has resorted to using executive authority under existing law to limit pollution. The cost of complying with the pollution rules is small compared to the damage inflicted by severe weather brought on by global warming, said Jim Doyle, president of Business Forward and a former Commerce Department official in the Clinton administration

Doyle said a severe storm that shuts down an auto manufacturer in the Southeast costs more than \$1 million an hour.

"Over the past four years, American factories have been disrupted by typhoons in Thailand, hurricanes in the Gulf of Mexico, droughts in Texas, tornadoes in Kentucky, falling water levels across the Great Lakes and flooding in the Northeast," he said.

The conflict does not split evenly across partisan lines. Former administrators of the EPA under Republican presidents recently testified that more action is needed on global warming. Meanwhile, interest groups typically aligned with Democrats have split from Obama's plan. Alabama AFL-CIO

President Al Henley said the economic cost of shuttering U.S. coal-fired plants was not worth the benefits since the worldwide carbon emissions blamed for global warming are unlikely to decrease.

"Why jeopardize so many jobs when the EPA efforts will have so little effect on global carbon emissions?" Henley said at a news conference. "For every coal plant ... closed in in the U.S., several more open in developing countries like India and China."

Mississippi state Sen. Kenneth Wayne Jones, a Democrat who chairs his state's Legislative black caucus, also faulted the plan for potentially raising electricity bills, particularly on low-income consumers.

"They simply can't afford it," he said. "I already watch them talking about whether they can get money, whether they can get food, medicine."

Another hearing is scheduled Thursday and Friday in Pittsburgh.

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## **Franklin County schools setting up security teams with volunteers; some could be armed**

Officials on Thursday will announce a security plan for Franklin County schools that might include armed volunteers, which is allowed under legislation that passed over the governor's veto in 2013.

A private company will help set up the security plan and train the volunteers under the sheriff's supervision.

State Rep. Johnny Mack Morrow, D-Red Bay sponsored the bill, one of the school security measures proposed in Alabama in response to the mass shooting at Sandy Hook Elementary in Newtown, Conn., in December 2012.

Gov. Robert Bentley vetoed Morrow's bill, which applied only to Franklin County. The governor said he was concerned that it did not require certified state training for volunteers who would be armed.

Morrow passed a similar bill later in the session, House Bill 404. Bentley vetoed it, too, but the Legislature overrode the veto and it became law.

The Protection Institute, based in South Carolina, will train the volunteers and help set up the security plan, Morrow said. Volunteers can be school employees, retired school employees and other residents of the school district.

Morrow said The Protection Institute will be paid about \$24,000 the first year. He said he expects the annual cost to drop after that, as volunteers are trained and the plans are put in place.

The money will come from a community service grant and from money the TVA pays to the county in lieu of taxes, Morrow said.

Morrow said he learned about The Protection Institute when he saw the president and CEO, Patrick Sergott, speak in Hoover last year.

He said the institute has worked with school systems in other states, but none in Alabama.

Sergott told Morrow in a letter that "Franklin County is one of the school districts in the country that is leading the charge in setting a new standard for school security."

Sergott wrote that the company's campus protection program is "designed to empower school employees to protect themselves, and work as a team to protect the children under their care."

Sergott said the training and plans will be customized to fit the needs of each school.

Morrow said the volunteer teams are needed partly because some of the county's schools are in remote locations that can delay the arrival of law enforcement and first responders in an emergency.

He said it can take deputies up to 20 minutes to arrive at some of the schools. That means school employees must act as first responders, and the security plan will make sure they are prepared for that role.

As to whether volunteers will be armed, Morrow said that would be up to the sheriff and school officials based on recommendations from The Protection Institute.

"I can promise the public one thing," Morrow said. "If they are, they will be trained and be part of this comprehensive plan."

Morrow said Franklin County can't afford paid school resource officers. He said the alternative to the volunteer plan is to tell children to "put their heads between their knees and wait till help arrives. That's just not acceptable to me."

Morrow and state Sen. Roger Bedford, D-Russellville, officials from The Protection Institute, school officials and representatives of the Franklin County Sheriff's Department plan to announce the security plan at a news conference Thursday at 9:30 a.m. at the Franklin County Board of Education in Russellville.

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## **[Alabama State University spent \\$318K suing forensic auditor hired by Gov. Bentley](#)**

Alabama State University spent \$318,099 suing a Birmingham forensic auditor hired by Gov. Robert Bentley to investigate claims of financial wrongdoing at the school.

In response to a public-records request filed by AL.com, ASU released today an accounting of its spending on outside legal firms in the suit against Birmingham-based Forensic Strategic Solution Inc.

The records show much of the money went to Birmingham-based White, Arnold & Dowd P.C., where former federal Judge U.W. Clemon represented the school.

Clemon was also retained by the school's board of trustees to handle information requests from the forensic auditor at **[a rate of \\$375 per hour, less than his usual rate of \\$500 per hour.](#)**

Approximately 29 percent of the total expenditures went to the firms Whatley Kallas LLP and Khorrami, Boucher, Sumner & Sanguine, which have offices in Los Angeles, where ASU filed the suit.

According to university records, ASU spent the following sums on outside law firms between Oct. 1 and July 23 in the suit against FSS:

Law firm	Amount	Percent of total
White, Arnold & Dowd PC	\$224,617.65	70.61 %
Whatley, Kallas LLP	\$79,203.56	24.9 %
Khorrami, Boucher, Sumner & Sanguine	\$14,277.52	4.49 %
<b>Total</b>	<b>\$318,098.73</b>	<b>100 %</b>

The totals does not include ASU's in-house legal counsel Kenneth Thomas who was listed as an attorney of record in the case.

Filed Oct. 21, 2013 in the Superior Court of California in Los Angeles, the suit said a report prepared by FSS alleging waste and multiple conflicts of interest among board members was "false and misleading and intended to interfere with ASU's economic relations with alumni, potential students and supporters."

To explain why they filed the case in California instead of Alabama, the attorneys argued that ASU has a large alumni population in California and that FSS opened an office there in 2009 -- though the firm has not maintained that office since 2010.

They also cited Alabama's history of racial discrimination, alleging Bentley and other "white Republicans" were using the resignation of former ASU President Joseph Silver to seize control of the university.

"ASU has long been the victim of engrained and widespread racial discrimination by the State of Alabama and its governor," the complaint stated.

But California Superior Court Judge Richard Fruin declined to hear the dispute, [granting a defense motion to quash during a June 25 hearing on the basis that the California court did not have jurisdiction rule on the dispute originating in Alabama.](#)

"The governor of Alabama hired the defendant to conduct an audit of an Alabama state university. Everything that was done was in Alabama.," he said, according to the transcript.

"Alabama is where you belong."

At the time dismissal, Clemon said ASU had not decided how to proceed, but its options included appealing the ruling in California, filing the complaint in Alabama or simply letting the matter die.

Clemon was not available to comment today at his office. It remains unclear whether ASU will continue pursuing the lawsuit.

In a statement, ASU spokesman Kenneth Mullinax distanced the university from the lawsuit today.

"That lawsuit was under the auspices of the ASU board of trustees and not Alabama State University," he said, "so any comment would have to come from the board chairman or his representative."

But [board Chairman Elton Dean stepped down last week](#) at the request of Bentley, who cited violations of state conflict-of-interest laws.

Bentley also [removed from office Vice Chairman Marvin Wiggins](#), who refused Bentley's request that he step down also for violations of state conflict-of-interest laws.

The governor, who serves as president of the board by virtue of his elected position, has called a special meeting of the board for Aug. 8.

In response to the lawsuit, FSS filed a motion Dec. 20, alleging ASU filed the suit in an attempt to create a conflict of interest that would force the forensic auditor to cease its investigation of the university.

It included a Dec. 16 letter from Clemon to Bentley's chief legal adviser, David Byrne, in which Clemon called the governor's continued use of FSS a "rather flagrant" violation of the code of professional standards established by the Association of Certified Fraud Examiners.

"This court should not take kindly to ASU's use of this judicial forum to strategically benefit itself and garner media attention (all of which was sought in Alabama and not California)," FSS argued in its motion.

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**[Alabama is growing high-tech entrepreneurs, but is high-speed Internet the key to keeping them?](#)**

Alabama, meet young high-tech Huntsville entrepreneur Matt Barron. Now, say goodbye. Barron is moving his new company SeamBot to this entrepreneurial city on the Tennessee River.

It's not that Barron doesn't like Huntsville, he explained Tuesday from his booth at Chattanooga's annual GIGTank Demo Day. It's just that this city has a view of the future he likes.

That isn't just about the touted fiber-optic lines that deliver a Gigabit of Internet speed to any address in Chattanooga's utility service area. Sure, Barron says he will use the high-speed Web in his clothing design business.

But he's attracted by what the technology symbolizes, and that's an intangible Huntsville might consider as it debates expanding high-speed Internet service across Madison County. AL.com has been covering the issue since it ranked high with participants in a "Regionalism: What works" forum.

"I want to live in the sort of city that puts a high-speed Internet in," Barron said. "It might have nothing to do with the bandwidth. It has everything to do with the community and the people, the people that stand behind what is basically a human right, right now."

Barron sees the Internet as fundamental. People "can't even apply for a job without bandwidth," he said, and "you have the right to free speech, but speech happens largely on the Internet these days. So, it's a human right."

Chattanooga is forward-thinking enough "to even think about putting a high-speed Internet in," Barron said. "Those are the people I want to be around."

People like Barron are all over this annual event, which is designed to spotlight Chattanooga's GIGTank program. It is designed to stimulate entrepreneurship beginning by leveraging the high-speed Web. Chattanooga has also added an organized effort to mentor and fund high-tech startups.

This year's event focused on 3D printing/additive manufacturing, smart power grids and healthcare and drew 800 people to the campus of a girls' prep school near downtown. Barron and other young entrepreneurs were benefits of the mentoring program and here to make pitches for investment funds to grow their companies.

Chattanooga proudly advertises its "\$300 million fiber optic network and smart grid" in the "GIGTank Demo Day" pamphlet in a phrase that suggests what such a rollout can cost. Chattanooga created its high-speed network for everyone using its public utility. But that's not the only way to go if a city can

interest one of the current big providers of Internet service in making the investment. That seems to be what's happening in nearby Nashville.

Barron wasn't the only Huntsville connection. Nestegg Biotech, another startup mentored here this year, was pitched by CEO Tanner Carden, who mentioned that his executive team has "UAH" degrees and technical backgrounds. It wasn't necessary to tell this crowd that meant the University of Alabama in Huntsville.

Barron asked investors in the audience to back his plan to use 3D printing to make a drug-testing platform called rootcube. The good news for Alabama was that he hopes to house the company at Huntsville's Hudson Alpha Institute for Biotechnology. So, Alabama at least won one out of two this day in Chattanooga.

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## **Lawmakers say federal government too slow in carrying out RESTORE Act**

The law Congress passed two years ago to divvy civil penalties paid for the oil spill in the Gulf of Mexico is not being carried out quickly enough, lawmakers said at a committee hearing Tuesday.

To blame are the Commerce and Treasury Departments for missing deadlines that would have allowed funds to flow toward project planning, a group of senators from Gulf Coast states said during a Senate Committee on Commerce, Science and Transportation meeting.

The subject of the hearing was "Revisiting the RESTORE Act: Progress and Challenges in Gulf Restoration Post-Deepwater Horizon."

Alabama is also poised to receive a portion of money from the fund, along with Texas, Louisiana, Florida, Mississippi and Texas.

Companies who violated the Clean Water Act during the 2010 Deepwater Horizon oil spill are expected to pay massive fines for their involvement. Lawmakers created the Gulf Coast Restoration Trust Fund, where 80 percent of the fines paid will be deposited.

Administrative responsibility was given to the three federal departments -- treasury, commerce and interior -- to develop rules for the fund. By law, those rules should have been written 180 days after the act was signed in June 2012.

Congressional leaders and states are still waiting.

"Both the departments of commerce and the treasury have failed -- in my view-- to implement the law the way it was supposed to," said Sen. Mary Landrieu, D-Louisiana. "These deadlines have come and gone."

The treasury department plans to release its final rule by the end of July, according to its website.

Transocean agreed to pay \$1 billion in civil penalties last year, but BP and federal prosecutors have not yet reached an agreement on the amount of its payment.

"The Gulf Coast Restoration Trust Fund contains more than \$600 million. It's not the full amount, which the courts will ultimately decide, but an early deposit was made of \$600 million. That money needs to be distributed," said Landrieu, who attended as guest member of the committee.

Her sentiments paralleled to statements made by Sens. Bill Nelson, D-Florida; Barbara Boxer, D-California; Marco Rubio, R-Florida; Roger Wicker, R-Mississippi; and David Vitter, R-Louisiana, who also attended as a guest.

The hearing comes only days after the Gulf Coast Ecosystem Restoration Council released its approval process for restoration projects in the Gulf. The council represents one of five entities that's slated to receive funds.

As early as next month the council could begin receiving proposals for projects that are aimed at restoring the region's ecosystem. The approval process includes an independent scientific review and projects that are closely tailored to the RESTORE Act criteria will be given priority.

The Ocean Conservancy, an environmental advocacy organization, commended the council's use of science in its program selection process.

Kara Lankford, the organization's interim director for Gulf Coast Programs, said the action was a "positive step toward restoring the Gulf ecosystem" after the oil spill.

"A sound, science-based process for selecting projects that includes external, independent scientific review is critical to successful Gulf restoration," Lankford said.

"The Council's commitment to an open, transparent process is very encouraging. The project selection process also encourages Council members to find synergies among projects and across jurisdictional boundaries, which is important to ensuring that restoration is greater than the sum of its parts."

Before lawmakers Tuesday, however, the announcement was met with little praise.

"While I appreciate the Gulf Coast Ecosystem Restoration Council's announcement on Friday of last week on their -- quote -- 'progress' that they've made in finalizing the approval process for projects submitted to them," Rubio said, "I find their announcement lacking in the detail necessary to truly provide a clear and straightforward process for interested parties."

Representatives from Florida and Mississippi also testified before the panel of senators, as well as public officials from the commerce department; the National Fish and Wildlife Foundation; and Justin Ehrenwerth, executive director of the RESTORE Council.

Ehrenwerth said he anticipated that there would be an "interim final rule" in the next two months that would provide states access to as much as 5 percent of funding in the third category of funds.

When asked why the process was taking so long by Sen. Rubio, he said they were trying to ensure all of the "states and federal agencies who participated in the council had the resources and support to carry out this work."