



Connecticut Business & Industry Association

**Testimony of Jesmin K. Basanti
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Before the Committee on Labor and Public Employees
Hartford, Connecticut
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S.B. 242 An Act Concerning the Retention of State Jobs in Connecticut

Good Afternoon Senator Prague and Representative Ryan and other members of the committee. My name is Jesmin Basanti and I am Staff Attorney for Economic Development matters at the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. The vast majority of our member companies have fewer than 50 employees.

Generally, CBIA supports measures that aim to increase or retain state jobs. However, **SB 242** has many unintended consequences, which would not retain jobs in Connecticut. This bill is a protectionist measure that will instead reduce cost-effective competition, trade and punish employers and employees for working in Connecticut. In essence it will decrease jobs, instead of creating jobs in Connecticut.

Specifically, **Sections 1 (b) and 4** have the unintended effect of hindering Connecticut companies from bidding on state contracts and depriving them of commercial opportunities, it would create a disincentive to bid, and possible retaliation by other states.

These sections send the message that Connecticut does not want to operate in today's global economy. Rather than encouraging trade and growth, this section will discourage other states and countries from trading with Connecticut. This only makes it more difficult for Connecticut companies to compete in the global marketplace. If we close off trade routes, others will retaliate by doing the same to us.

Ensuring that our state laws recognize the economic importance of protecting the ability of Connecticut companies to compete, not only in the state, but also in the national and the global marketplace is imperative. Currently, Connecticut is home to approximately 1,200 foreign companies and it exports

approximately \$8 billion of Connecticut made products annually. If Connecticut chooses to adopt protectionist measures, it is likely that players in the global economy will choose not to continue to do business with or in Connecticut.

Former Federal Reserve Chairman Alan Greenspan and former Clinton administration labor secretary Robert Reich have said that the keys to growing United States companies are "innovation, research and development and training," not protectionist measures. CBIA agrees. Rather than adopting protectionist measures in the name of "retaining jobs," Connecticut's legislature should focus on tried and true economic growth measures such as reducing costs, developing a skilled workforce and creating a dependable infrastructure.

Section 3 (c) and (d) are even greater cause for concern. Current legislation, § 31-5 (n) of CGS together with the Federal WARN Act cover the amount of notice that employers have to give employees prior to a mass layoff or plant closing with the exception of closings due to bankruptcy and natural disaster. This section would expand that notice requirement to 6 months and penalize an employer \$1000/ day if they fail to meet that.

This is not a solution to the current economic climate in Connecticut. Businesses have to make daily decisions about how to keep their operations competitive and currently they are struggling to stay afloat and keep as many employees as possible. The state should be looking for ways to work with businesses to help them cut costs and stay in Connecticut not to punish them for being competitive.

Creating legislation that will keep companies in Connecticut should be priority one, not proposals aimed at pushing them further away.

SB 242 is a protectionist measure that will harm Connecticut's economic growth at a time when we need it most. Therefore, we urge you to reject **SB 242**.

Thank you for granting me the opportunity to testify today.