



the LEGISLATIVE column

by PAUL FOGLEMAN, Hosiery Governmental Affairs Director

MORE THAN ANY OTHER STATE, the North Carolina hosiery industry has worked to develop relationships in the Legislature. That effort has been productive, assuring the survival and growth of the Hosiery Technology Center and helping mills fight off expensive regulatory problems.

So it is that the first rumblings of the 2008 elections are of interest to the Hosiery Governmental Affairs Council. Two Democratic lawmakers who have expressed interest in the office of Lieutenant Governor are longtime friends of the industry.

Rep. Jim Harrell reportedly will launch his campaign sometime in July. The 30-year-old attorney from Surry County has served two terms in the House and is considered a rising star. He has been loyal to Speaker Jim Black and has traveled across the state with him. Harrell has told news media reporters that he will raise \$3.5 million for the race.

Senator Walter Dalton has four terms under his belt and also has supported consistently the goals of the hosiery industry. As co-chair of the Senate Appropriations Committee he has held firm on behalf of funds for the Hosiery Technology Center. He is a resident of Rutherfordton and is part of the leadership team put together by President Pro-Tem Marc Basnight. It is expected he would have Basnight's full support in the East where Democrats hold a strong majority in voter registration.

In the meantime, current Lt. Gov. Beverly Perdue is considered the favorite in the 2008 gubernatorial primary. She could face GOP Sen. Fred Smith who is working hard to build a team for the governor's race. Smith is not well-known outside his native Johnson County.

Smith is a wealthy businessman and Perdue is an effective fund-raiser. Perdue also has extensive ties to the business community and also can count on sup-

port from the powerful Senate leadership team that includes Sens. Tony Rand and David Hoyle.

Reportedly Randolph County Republican Rep. Arlie Culp is telling friends this is his last term in the House. Among the names mentioned as a replacement is Darrell Frye, chief financial officer for Harriss & Covington Hosiery Mills, former chairman of the Randolph Board of County Commissioners and former president of the Piedmont Triad. Frye is the articulate chairman of the Hosiery Governmental Affairs Council.

REP. RICK GLAZIER OF CUMBERLAND COUNTY is a member of the Federal Relations and Trade Committee in the House and has used this opportunity to speak up for small and medium-sized manufacturers getting trampled by open-door trade with low-wage countries.

Recently, Glazier pushed through the committee a resolution that calls for states to be represented in negotiations of trade agreements affecting major manufacturing clusters in their state. He also has voiced opposition to CAFTA.

The committee is chaired by Rep. Phillip Frye and Rep. Mark Hilton of Conover who has a number of hosiery companies in his district.

THE BILL SPONSORED BY SEN. DAVID HOYLE that puts the Center for Applied Textiles Technology under the auspices of Gaston College has passed both Chambers and now is law. The Hosiery Technology Center was cited as the model for the new status of the textile center.

HTC Manager Dan St. Louis will be an ad hoc member of the textile center's 14-member advisory board. Other members are appointed by the Gaston College board, the N.C. Manufacturers Association, Community Colleges Board, and the textile center foundation. The board is expected to hold its first meeting in mid-July and begin the search for an executive director. Gwen Perkins is the

current acting director.

AS THE DAYS AND HOURS OF JUNE FADED INTO JULY, budget negotiators from the House and Senate were in heated sessions. Should the half-cent sales tax remain? Should the cigarettes tax be 25 or 35 cents per pack? Can the income tax on upper income earners be reduced by half a percent?

THE GOVERNOR ENTERED THE PICTURE REMINDING LEGISLATORS he has veto power. And he wanted a budget by July 1, a date some thought unrealistic. Others, like Rep. Hugh Holliman of Davidson County and Rep. Walter Church of Burke, thought a new plan could be in place by the beginning of the new fiscal year.

The concept for a lottery was still on the table, a program dear to the heart of Gov. Mike Easley, also is to be determined before the session is over. The Senate has earmarked revenue from a lottery to the General Fund, but the House says no.

The bipartisan coalition that functioned so well when the House was evenly divided and governed by co-Speakers has fallen apart. No Republican in the House or the Senate voted for the earlier versions of the budget and they are not expected to support the plan when it emerges.

Why? The 2006 elections will feature GOP themes of "tax and spend" Democrats. The fact that over 28,000 new schoolchildren arrive at the school house door each year and that Medicaid costs are growing at 15 percent a year will be cited by Democrats as reason for new revenue.

For the first time, the state's annual budget will exceed \$17 billion. The House has a minimum wage for state employees of about \$20,000. The Senate version included a 2 percent increase across the board.

Before the 2005 General Assembly adjourns – perhaps by August 1 – the legislators will have made history with new laws affecting a growing state. Over 3,000 bills were introduced in both Chambers and that in itself is a record.