

Remarks by The Honorable Rob McKenna, Attorney General-elect, to the Prosperity Partnership Regional Economic Summit, November 19, 2004. Because he departed from the text in some places, it should not be viewed as a transcript of remarks as delivered.

“Keys to Prosperity”

Remarks to the Prosperity Partnership, Nov. 19, 2004

Thank you very much, Bob. As a long-time board member of the Economic Development Council of King County, it is a particular privilege and pleasure to stand before you today. I am also honored to stand before you today as your Attorney General-elect. I look forward to being your lawyer. Until January 12, 2005, however, I will still be a county legislator and policymaker, and my remarks this afternoon are mainly from that perspective.

I believe that there is a particular set of challenges that we must address to assure our region’s long-term prosperity. Our success in addressing them will determine whether our region is capable of supporting the creation of hundreds of thousands of new jobs in the coming decades.

These challenges are easy to list but require courageous leadership if we are to meet them: transportation, education, tort reform and regulatory reform. We can meet these challenges, but not with the simplistic solutions of the past. Simply raising taxes is not the answer to every problem, and neither is simply cutting taxes. By focusing on projects and reforms designed to specifically address these challenges, we will give our region the best chance to succeed and prosper in the long-term.

Transportation

1. We must realize and accept that our transportation infrastructure deficit principally will be solved regionally with help from the state and federal governments. The rest of the state does

not have a comparable congestion problem or the failing facilities that we have here in central Puget Sound. They will not support the required tax increases under any circumstances. When the state raises more money, they get most of it from us anyway. The Federal government, for its part, is struggling just to fund the O&M for the existing interstate system and mass transit systems. Their share of new highway and transit projects will likely continue to shrink.

2. We must rank proposed transportation projects by their capacity to support the creation and retention of private sector jobs in our region -- not simply the creation of construction jobs or out of envy for another region's projects. Ranking factors should include whether the project will Maintain the viability of critical corridors, Reduce traffic congestion, Improve freight mobility, and Generate "new" transit ridership (not simply cannibalize existing bus users).

3. Because every part of our region has desperate transportation needs, we must craft a package that funds highly-ranked projects from every part of our region to attract voter support. We must present a united front of support among business, labor and government leaders.

K-12 Education

1. Stay the course on the WASL (allowing re-takes is a good idea, but not abandonment).
2. High standards are the key to the educational and economic success of today students.
3. Focus dollars in the classroom, and keep administrative costs to a minimum.
4. The costs of education and everything else in this region are considerably higher than elsewhere in the state. Our school districts should be given more authority and flexibility to raise support locally. What good does it do to require equal funding across the state when the same amount of money buys less in areas with a higher cost of living?

Higher Education

1. Focus on high-demand degrees that help to drive our economy and ease workforce shortages. (High-demand fields include: engineering, computer science, the life sciences, nursing, and so on.)

2. Focus research dollars on these same high-demand fields that will generate economic prosperity.
3. Remember that our community colleges and technical colleges are increasingly important to the training and retraining of a skilled workforce.
4. Give the Regents of our universities more authority over tuition setting, provided that they are required to shift resources within their budgets as needed to increase available slots in the degree programs that are most in demand by students and by the private sector.
5. Never lose focus on the fact that our future success as a region in biotechnology and other high-tech areas most crucially depends on the success and vibrancy of our research universities.

Tort Reform

1. Medical liability reform

A. Health care a huge cost driver for employers. Defensive medicine has worked to drive up those costs, as have skyrocketing jury awards and settlements in malpractice lawsuits.

B. Many communities lost specialty docs because of lawsuit insurance costs and family doctors feel the pinch, too (just when we need more doctors for those 100,000 new employees).

The ratio of doctors to population in Snohomish County now = 1:2,700!

2. Liability reform generally

Many sectors of the business community have seen rapidly increasing liability insurance costs. Solutions include: a) joint and several liability reform, b) post-judgment interest rate reform and c) employer reference check reform.

3. The need to find common ground: dueling initiatives. Big campaign expense. Lawsuits over initiatives themselves. As Attorney General, I intend to bring both sides of this debate together to find the common ground. For example, everyone agrees we need to keep our doctors here while reducing medical errors. Other states have adopted medical legal systems featuring expert screening panels that assess the apparent validity of malpractice claims at the front end.

Regulatory Reform

1. Continue reforms that encourage insurance companies to return to this state. The more competition there is to sell us insurance of all kinds, the better off we all are as business and individual consumers of insurance. One such reform is to reduce one-size fits all health care mandates – e.g., by allowing businesses to purchase catastrophic illness coverage, instead of mandating comprehensive coverage up to and including acupuncture treatments.
2. Create an Executive Office of Regulatory Reform so that our next governor is more directly involved with and accountable for meaningful reforms that lower the regulatory burden on businesses while protecting worker safety, public health and the environment.
3. Bring UI & Workers Comp costs down to manageable levels.
4. Limit state agencies to the specific rule-making authority granted by the legislature. This is an improvement that the next Attorney General might be able to help with.

In conclusion, the Prosperity Partnership clearly is inspired by our state's success with the 7E7. That success showed it is possible to bring together business, labor and government leaders to solve the challenges of transportation, education, tort reform, liability reform, and regulatory reform. There is much work to do, but this Partnership is a great kick-start to the process. If there's anything else that your lawyer can do to be helpful, just let me know.