



News from the Minnesota/Dakotas Chapter of the **ESOP** Association

Employee Ownership Moves America

Gaining Support on The Hill - Who's Who?

The Government Relations Committee for the Minnesota/Dakotas Chapter of the ESOP Association engages federal policy makers and their tax aides to promote and protect ESOPs, including the overall structure and benefits that employee owners receive. Legislative affairs work, on behalf of all employee owners, contributes to the ESOP vision: Increasing employee participation in the workplace, strengthening our free enterprise economy and creating a broader distribution of wealth.

The 112th Congress began its first session this month. The following summarizes the Government Relations Committee's recent work with Minnesota and North and South Dakota U.S. legislators. It's vital that our organization stay in front of policy makers, including Washington, D.C. office visits and company site visits in legislators' respective districts.

Minnesota

1st District - Congressman Tim Walz supports ESOPs, and has since local ESOP members introduced him to the concept early in his congressional career in 2007. Since that time, he has supported all ESOP legislation and visited Windings, Inc., a 100% employee-owned company located in New Ulm, Minn.

2nd District - Congressman John Kline recently noted that employee-owned companies "Are doing amazing things." While the congressman has yet to support any ESOP legislation, he attended a gathering of employee-owned companies in Minneapolis in August 2010 at Walman Optical Company. There, he heard about the power of ESOPs to provide for secure retirements, job creation and preservation. The congressman visited with Walman employees and representatives from other employee-owned companies: Lifetouch, Burns & McDonnell, Force America, HLB Tautges Redpath, Oxygen Services and Foldcraft.



3rd District - Congressman Eric Paulsen - recently named to the powerful House Ways and Means Committee, which is responsible for writing tax policy - met with local ESOP members in his D.C. office in 2009 and 2010. He also visited Toll Company (Plymouth) in August 2009, an ESOP company, and was open to learning more about and supporting ESOP policies; he subsequently visited Hisco, Inc., another ESOP company in Rogers. Congressman Paulsen is a co-sponsor of The S Corporation ESOP Promotion and Expansion Act of 2009 (H.R. 3586), and is considered an ESOP champion by the ESOP Association.



4th District - Congresswoman Betty McCollum to date has not supported any ESOP legislation nor participated in any on-site meetings with employee-owned companies. Local members of the ESOP Association have met with the Congresswoman's tax aide in 2009 and 2010. Chapter members should continue to look for opportunities to engage the Congresswoman in discussions about ESOPs and employee ownership.

5th District - Congressman Keith Ellison has been receptive to learning about employee ownership through ESOPs. Although he has not co-sponsored ESOP legislation, he visited Walman Optical Company in 2007, and has met with local members of the ESOP Association in Washington, D.C. With continued effort by chapter members, we are hopeful that the Congressman will formally support ESOPs.

6th District - Congresswoman Michelle Bachman has yet to visit an ESOP company or sign on to any ESOP legislation. Local members of the ESOP Association met with her legislative aides on two occasions in Washington, D.C.

The Government Relations Committee works hard to help chapter members coordinate and facilitate efforts to educate and promote the benefits of employee ownership through ESOPs. If you would like to get involved, please contact Richard Joseph at rjoseph@alerusmail.com, or Sue Crockett at scrockett@mndak-esop.org. You can also visit the MN Dakotas Chapter website (www.mndak-esop.org) for more government relations information including tools and links.



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Minnesota, continued

 **7th District – Congressman Colin Peterson** has a long history of supporting employee ownership and recently co-sponsored The S Corporation ESOP Promotion and Expansion Act of 2009 (H.R. 3586). The Congressman also witnessed firsthand the power of employee ownership when he participated in a meeting at Douglas Machine, Inc. At that meeting, he said, “Anything the ESOP Association sends my way, I am on board with.”



8th District – Congressman Chip Cravaack is a newcomer to Congress after defeating the long-serving Jim Oberstar. The Government Relations Committee is looking for opportunities to educate the Congressman on ESOPs and employee ownership through direct meetings in Washington, D.C., and by coordinating in-district meetings with ESOP companies.

Senator Amy Klobuchar has met informally with local members of the ESOP Association in the past, but has not participated in an ESOP Association-sponsored event or publicly supported pro-ESOP legislation.

Senator Al Franken met with local members of the ESOP Association at his “Breakfast with Al” open house in 2010. There, ESOP members engaged his legislative aide, who expressed the senator’s general support for employee ownership. Most recently, Senator Franken visited Douglas Machine, Inc. to see and hear firsthand the power of employee ownership through ESOPs.

North Dakota

Congressman Rick Berg, a freshman member of Congress, defeated ESOP ally and champion Earl Pomeroy, and was named to the powerful House Ways and Means Committee. Prior to the 2010 election, he met with several Fargo, N.D., community and business leaders, and was informally introduced to employee ownership. The Government Relations Committee and North Dakota-based chapter members are working to educate and promote ESOPs through meetings in Washington, D.C. and local ESOP company sponsored events.

 **Senator Kent Conrad**, chairman of the Senate Budget Committee, recently announced that he will not seek re-election in 2012. The senator has supported the S-corporation ESOP structure in the past, and has met frequently with local members of the ESOP Association at his Washington D.C. offices. Local and national ESOP advocates will closely monitor the race for the senator’s seat.

Senator John Hoeven is the freshman senator who replaced the retiring Byron Dorgan. Meeting with the senator in Washington D.C. in May is a priority for local members of the ESOP Association and Government Relations Committee.

South Dakota

Congresswoman Kristi Noem is a newcomer to Congress after defeating Stephanie Herseth Sandlin in the 2010 election. South Dakota members of the ESOP Association are introducing the congresswoman to the ESOP concept at her office in Washington, D.C., and through in-district meetings with ESOP companies.

Senator John Thune met previously with local members of the ESOP Association at his office in Washington, D.C. While the senator has been receptive to the concept, he has not yet supported any pro-ESOP legislation.

Senator Tim Johnson has generally supported ESOPs during meetings with local ESOP Association members at his office in Washington, D.C. The committee is hopeful that by continuing to educate and promote employee ownership, the senator will agree to support future pro-ESOP legislation.