

INTERNAL STAFF UPDATE*

Monday, September 14, 2015

Jasper Ocean Terminal:

Last Thursday, Swati and Dave Posek met with Georgia representatives (Jim Balloun, GPA member, and Ryan Teague, Gov. Deal's General Counsel) to finalize a new intergovernmental agreement to develop a Jasper Port Terminal. This negotiation began approximately 2 years ago and SC and GA appears to have finally reached consensus on the terms with last week's meeting. The goal now is to get a final draft to both sides and then execute the agreement later this month, with cover letters from both governors. The agreement has been long-awaited by Jasper County officials and Sen. Tom Davis.

State Ports Authority:

Also, today Jim Newsome will announce at the State of the Ports Address that the Army Corps of Engineers has signed the Chief of Engineers Report for the Post-45 Charleston Harbor Deepening Project and submitted it to Congress for authorization. SCSPA will now officially refer to the Charleston Harbor Deepening project as "Charleston-52." The completion of the Chief's Report is also the trigger to begin the NEPA application process for the Jasper Ocean Terminal.

Boards and Commissions:

Chad Walldorf was appointed to the Capital Bond Study Committee today with a term commencing 9/14/2015 and expiring at the dissolution of the Committee (December 31, 2015).

K-12 Education:

Josh and Veldran are meeting with Chairman Allison and Chairman Bingham on Wednesday at 2:00pm to discuss Phase III of our K-12 reforms

Planned Parenthood:

Below are questions from legislators regarding DHEC's investigation into Planned Parenthood:

- These reports lay out many violations of the law, and many violations of regulations. Now that the Governor has sufficient justification is she planning on cancelling the contracts for these facilities with DHHS and Medicaid? If so, when will that be announced? If not, why?
- If the department receives a POC, who at the department makes the determination that the plan is sufficient to lift the suspension?
- Before the department lifts the suspension, will the same auditor go back to the facility to verify that all cited violations have been corrected – based on the POC?

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- Is on-site verification of the POC needed for the suspension to be lifted?
- How does the department determine how much of a fine to impose within the monetary penalty range?
- Why didn't the department impose the monetary penalty per violation occurrence?
- Can the department determine how long the clinic was improperly disposing of products of conceptions? Did any previous routine audits cite this violation?
- What were the dates and findings of the last routine inspections for these three facilities? Did any previous audits or investigations reveal similar or the same violations?
- Are the enforcement conferences open to the public? Will the POC be evaluated and/or approved at this time by the department?
- If a facility appeals a decision of the agency, how long will this extend the process?
- What violations, that were discovered as a result of the investigation requested by the Governor on August 18, 2015, are being referred to SLED for further investigation?
- On the inspection form for Planned Parenthood of South Atlantic under AC Regulation Parts I-VII 61-12, sections 304.H and 605.D provide an explanation with the following dates October 17, 2015, October 31, 2015, December 5, 2015 and December 12, 2015. However, on the Administrative Order under section 605.D there are conflicting years listed October 17, 2014, October 31, 2014, December 5, 2014 December 12, 2014. Was this an error?
- Did the facility provide an explanation as to why the manifest sheets dated for October 17, 2015, October 31, 2015, December 5, 2015 and December 12, 2015 were mislabeled for months in advance?

Legislative Committee Meetings:

Tomorrow Tuesday, September 15th :

- **House:** 10:00 am -- Blatt Room 433 -- Education Policy Review and Reform Task Force College and Career Pathways Subcommittee; Discussion of *Abbeville* Plaintiff Districts' recommendations

Wednesday, September 16th:

- **Senate:** 10:00 am -- Gressette Room 308 -- Medical Affairs Subcommittee for S.600, Scott – Merger of DDSN with HHS
- **Senate:** 2:00 pm -- Gressette Room 308 -- Medical Affairs Subcommittee for H.3250, M. Smith – CON

Thursday, September 17th:

- **House:** 10:00 am -- Blatt Room 433 -- Higher Education Governance Ad Hoc Committee for a Panel and Committee Discussion Moderated by Dr. Dave Spence
 - Panel Guests: Dr. Pat Callan, President, Higher Education Policy Institute; Dr. Tom Layzell, retired former Chancellor, Illinois Board of Governors of State Colleges and Universities; and Dr. Brian Noland, President, East Tennessee State University

SCE&G:

Director Dukes Scott with ORS wanted to give our office a heads-up on the following:

- Next week, the Public Service Commission will vote to approve **an approximately 3% rate increase for all SCE&G customers** effective October 31st. The rate increase is part of the revised rate methodology implemented via statute in 2007, which increases rates along with capital expenses for the two new units being built at VC Summer in order to avoid a huge increase once the new units are live in 2019.
- Because the revised rate methodology has been getting blamed for higher customer rates, ORS is going to announce that it will hire **a third-party CPA firm to study whether the revised rate methodology is better for consumers**, which it is expected to be, than compared with the old rates. The study will look back to 2007 and forward to 2019 to see what the savings will be compared between the two rates. The study is expected to be finished before Thanksgiving.
- Groups that have been engaged in this issue include the AARP and Frank Knapp with SC Small Business Chamber. Director Scott has initiated dialogue with the Lexington County Legislative Delegation as well. Note that if any change to the rate methodology will need to be made, it will have to be done via legislation.

Emergency Management:

The U.S. Small Business Administration (SBA) approved the Governor's request for a disaster declaration for Charleston County following significant flood damage from August 30-31st. A Disaster Loan Outreach Center will open this Wednesday to assist business owners and residents in applying for low-interest disaster loans for damage to real estate, inventory and equipment, or personal property: 4% (businesses); 2.625% (nonprofits); and 1.875% (homeowners; renters). Applications are due November 9th.

Tort Reform:

The U.S. Chamber and the Institute for Legal Reform released the 2015 Lawsuit Climate Survey ranking all 50 states in how fair and reasonable the states' tort liability systems are perceived to be by U.S. businesses. Approximately 1,200 corporate attorneys were interviewed about decisions to conduct, expand, or constrict business operations or sales. Attached is a summary.

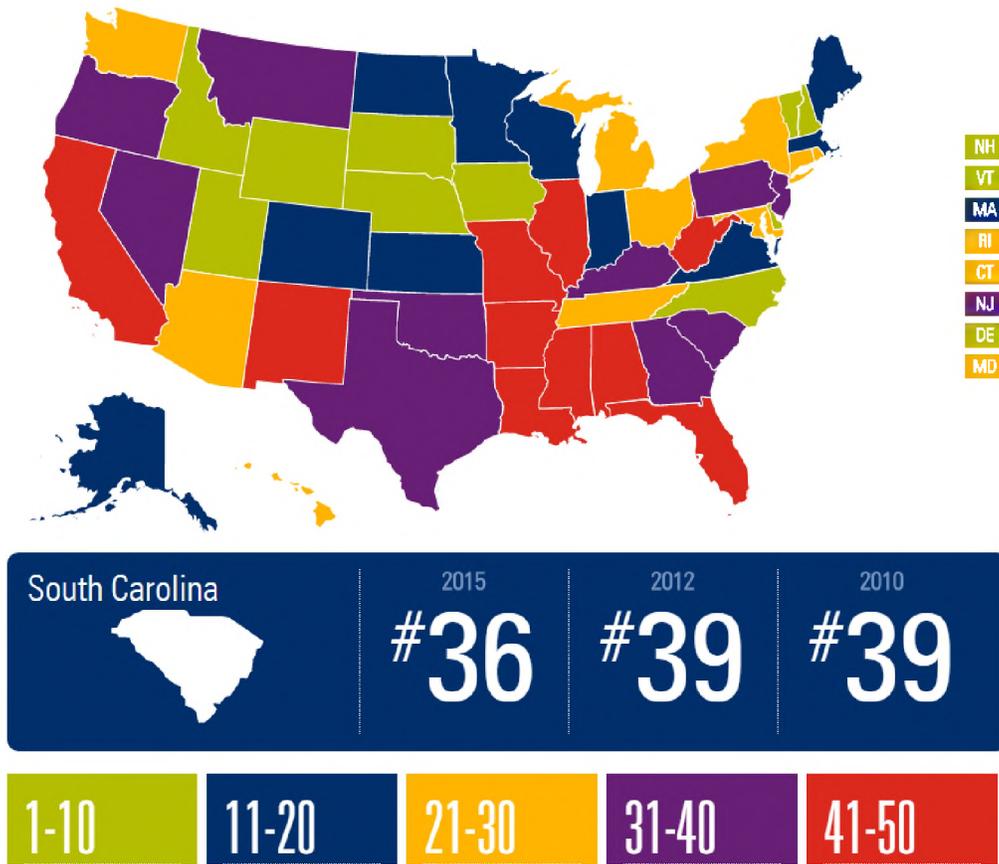
South Carolina's Ranking: 36th (2015) – previously 39th (2012) and 39th (2010)

South Carolina moved up three spots from 2012, mostly due to the tort reform bill the Governor signed in 2011 and the trespasser responsibility bill signed in 2015. Most notably, North Carolina moved from 20th in 2012 to 7th in 2015, mostly due to the passage of several various tort reform bills in recent years.

Earl Hunter and the Civil Justice Coalition have a few tort reform bills pending in the Senate regarding private attorney contracting, seatbelt admissibility, and asbestos litigation transparency. Our office will continue to track these bills.

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Map of all State Rankings:



Breakdown of South Carolina’s Ranking:

- Meaningful venue requirements 34th
- Overall treatment of litigation 31st
- Treatment of class action suits 38th
- Damages 40th
- Timeliness of resolution 37th
- Discovery and evidence 40th
- Judges’ impartiality 44th
- Judges’ competence 44th
- Juries’ fairness 38th

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