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PBC SUPPORTS EmployPA JOBS AGENDA

HARRISBURG - Pennsylvania Business Council President & CEO David W. Patti today joined House Republican Leaders at a Capitol Rotunda press conference to support a pro-jobs agenda in the Pennsylvania General Assembly.

"Jobs and the economy top all other public policy issues on the minds of Pennsylvanians – indeed on the minds of all Americans," said Patti. "Across our state and our nation, people are asking, 'Where are the jobs?' Today the Pennsylvania Business Council is proud to stand with House Leaders and members who want to move forward aggressively to unleash the forces of the private economy, to reduce the negative impacts of too much government, and to create a climate in which private investment flows to profitable, job-creating ventures."

Patti shared with the audience the comment of PBC Board Chairman Denis P. O'Brien, CEO of Exelon Utilities, "The Pennsylvania Legislature is making Pennsylvania more competitive. Strong fiscal discipline, a fair legal climate, and a lower cost of doing business are bringing jobs to Pennsylvania. I applaud Speaker Smith, Leader Turzai and their Caucus for working to improve Pennsylvania's business climate."

Patti said the House Republican Caucus, working with the Pennsylvania Senate and Governor Tom Corbett were instrumental in making meaningful improvements to Pennsylvania's business climate. Among the positive steps they took, Patti cited:

- Passing and implementing a fiscally disciplined, on-time budget that spent less money in the current fiscal year than in the previous fiscal year.
- Adopting the Fair Share Act that provided important reforms to Pennsylvania's joint and several liability law. (HB 1/SB 2)
- Establishing a Marcellus Shale law that provides Pennsylvania's resurging energy economy with a fair and predictability regulatory roadmap. (HB 1950)
- Reducing costs imposed on the Unemployment Compensation Fund with commonsense reforms and ending fraud and abuse. (SB 1030, HB 1852)
- Extending Workers' Compensation reforms to sole proprietors (HB 440).
- Creating a better, fast, more agile and more flexible regulatory climate. (HB 1394, HB 2022)
- Removing legal roadblocks that prevented medical professionals from expressing empathy or remorse to patients and their families. (HB 450)
- Expanding the Keystone Opportunities Zone to attract and retain employers. (SB 1237)
- Authorizing the Public Utility Commission to approve alternative ratemaking proposals to increase investment in energy, water, and sewer distribution and collection systems. (HB 1294)

"While some of these measures have not yet reached the Governor's desk, we applaud the Pennsylvania House for its efforts and hope the Senate and Governor will keep these important initiatives moving forward," said Patti.

Patti said the work is well received by his members. He quoted Pennsylvania American Water President & CEO Kathy Pape's comments about HB 1294 – now Act 11 of 2012: "With the passage of HB 1294 (Act 11 of 2012), Pennsylvania's PUC regulated electric, natural gas, and wastewater utilities now have the financial tools which encourage an accelerated replacement of aged utility infrastructure. This new era of infrastructure replacement may serve as the platform for the renewal of thousands of Pennsylvania communities that are burdened with old, outdated, and inadequate distribution and collection systems."

Patti explained that his organization has for more than five years been tracking measures of competitiveness in what he called a "Scorecard" that assesses Pennsylvania's job-creation environment against other states on factors used by CEOs and consultants to pick locations for business expansion and growth. He said there are qualities about Pennsylvania which make the state very attractive such as its basic and higher education systems, but other factors on which Pennsylvania is not judged favorably.

Among the issues still to be addressed, Patti cited:

Taxes

- Many states have moved to a "single sales factor" for computing the corporate net income tax.
- Pennsylvania is one of only two states that do not allow 100 percent deductibility of net operating losses.
- Pennsylvania's 9.99 percent corporate net income tax rate is the second highest in the nation and, effective April 1, the United States now has the world's highest national corporate income tax rate.

Cost of Doing Business

- Pennsylvania has the nation's second highest unemployment insurance benefits payout, giving the Commonwealth a very high levy on employers.
- Pennsylvania's workers' compensation system is far less modern than that of other states and does not focus sufficiently in returning workers to their jobs.
- Pennsylvania's permitting process is complex, time-consuming and burdensome. There are regional differences how regulations are interpreted and enforced.

Legal and Regulatory Climate

- While the Fair Share Act was very important, comprehensive legal reform is still needed. Ending "venue shopping," limiting the time during which lawsuits can be filed against manufactured goods, protecting innocent sellers, reducing punitive bonding requirements that stifle appeals, limiting non-economic damages, and allowing medical professionals to speak frankly with patients and families without legal implication are all remaining and necessary steps.
- Labor laws and regulations are outmoded and outdated. Many, like prevailing wage, haven't been revised in decades.

Transportation Infrastructure

- Pennsylvania leads the nation in "structurally deficient" bridges a dangerous and costly distinction.
- Pennsylvania's roads are in need of maintenance and additional capacity.
- The Commonwealth locks and dams make the waterways inefficient and unsafe.
- The state's airports must be upgraded for modern traffic.
- Many Pennsylvania communities rely on various forms of public transit. Maintenance and capacity issues of our transit systems must be addressed.

Patti applauded Speaker Smith, Leader Turzai and many Senate Leaders as well for understanding these complex and costly competitiveness issues, and for putting forth plans to deal with the problems and challenges head-on. He urged all lawmakers and the Corbett Administration to work together to make the Commonwealth of Pennsylvania a state in which good jobs are created.