

State of the Association 2022

The Manufacturer & Business Association's (MBA's) mission is to build a pro-business climate in Pennsylvania. 2022 was "The Year of the Elections" – PA Governor, U.S. Senate, U.S. Congressional Seats, and numerous PA House and several PA Senate seats. Fortunately, we were able to go back to in-person and hybrid events with the pandemic in the rear-view mirror. New issues arose including roaring inflation, work force shortages, wage hikes, and remaining supply chain issues. The MBA Government Affairs department focused on where we could have the most impact for members and provided members with education about the issues via policy group meetings, the *Business Magazine*, government newsletters, and surveys.

In 2022, the MBA's government affairs advocacy was interviewed or cited 35 times in Pennsylvania and national print, radio, or television news.

MBA created opportunities to speak with candidates and lawmakers.

The MBA Policy Committee hosted small group discussions with candidates Dr. Niche Zama, running for governor, Dr. Mehmet Oz and Kathy Barnette's contenders for PA's U.S. Senate seat, and Jeff Coleman, Lt. Governor candidate. In the fall we hosted governor Candidate Doug Mastriano for a legislative lunch.

The larger events, held before May primaries, were spectacular in attendance and in the media attention received. Gubernatorial candidates gathered at the MBA Conference Center in Erie on March 23rd for a panel discussion which included former Congresswoman Melissa Hart, PA Senator Jake Corman, Niche Zama, former Congressman Lou Barletta, Charlie Gerow, Dave White, and Bill McSwain.

The following week, U.S. Senatorial candidates gathered at the MBA in Erie, with hopes of filling the seat left by retiring Senator Pat Toomey. Panelist included Jeff Bartos, Dr. Mehmet Oz, Dr. Dave McCormick, and Kathy Barnette. The forums were televised on JET24/Fox66, Pennsylvania Cable Network, and re-aired in the Harrisburg, Altoona, Scranton, and Philadelphia markets.

The U.S. Senate candidate forum was the only one in Pennsylvania featuring both McCormick and Oz at the same time. The MBA received print, digital, and televised news coverage in every media market in Pennsylvania as well as national coverage on NBC, Fox, and CBS TV News.

Notable MBA guests in 2022 included the U.S. Undersecretary of International Trade, the Consulate General of Canada, and Pa Senator Ryan Aument.

The MBA co-hosted a legislative roundtable with the Butler Chamber and Butler Manufacturing Consortium. Panelists included PA House members, Reps. Marcie Mustello, Donna Oberlander, Carrie DelRosso and Abby Major.

Closer to election day MBA Cranberry hosted Jeremy Schaffer, US Congressional candidate for district #17.

The highlight of the year no doubt was the Second Annual Western PA Legislative Reception on November 17, 2022, at CNX Resources. The MBA partnered with the Washington County Chamber of Commerce, and the Pittsburgh Business Exchange to create an opportunity for members to speak with an extraordinary number of lawmakers. Both newly elected and incumbents from the PA House and Senate were invited to include Speaker of the House, PA Rep. Bryan Cutler. There were 36 elected officials in attendance.

To increase your understanding of how the MBA Government Affairs department works for members, know that we join with several coalitions to accomplish legislative goals. The Power PA Jobs coalition opposes Pennsylvania's entrance into the Regional Greenhouse Gas Initiative (RGGI), The PA Coalition for Civil Justice Reform, as its name implies, and Stop New Energy Taxes – think severance tax.

The MBA was represented at events, panels, meetings, hearings, and coalitions which are too numerous to mention. Highlights include:

- We presented on “Energy: The Bedrock of the Manufacturing Sector” as a speaker at the Shale Insight Conference.
- Fundraising events included: Rep. Natalie Mihallek, Rep. Valerie Gaydos, Rep. Rob Mercuri, Sen. Dan Laughlin, Dave McCormick for US Senate, Mehmet Oz for US Senate, PA Treasurer Stacy Garrity, and the Allegheny County Lincoln Day Dinner featuring US Senator Tom Cotton.
- MBA worked on the Compete PA Coalition, responsible for reducing the Corporate Net Income (CNI) tax rate.
- **MBA member visits** with lawmakers included:
 - Senator Devlin Robinson toured Wojanis Hydraulic Supply Company, Inc.
 - Several members met with Rep. Natalie Mihalek, chair of the southwest PA GOP delegation.
 - PA House Manufacturing Chair, Pa Rep. Donna Oberlander toured Schmidt Technologies.
 - Members of the Pa House Manufacturing Caucus toured United Plate Glass.
- Americans for Prosperity hosted a panel to discuss Association Health Plans and HB 555. Panelists included MBA's Jezree Friend, AVP, External relations, MBA, Rep. Valerie Gaydos, and others.
- MBA was part of a coalition to support legislation to amend the Medical Marijuana Act. It would promote workplace safety and provide clarity to the existing Act. The law will:
 1. Provide clear guidance to employers and the workforce.
 2. Establish employers will not be inhibited from maintaining reasonable workplace safety policies to protect their people, customers, and the public.
- Pennsylvania Manufacturer Association's roundtable with Senator Scott Martin.
- MBA hosted a table at the PA Leadership Conference which included most every candidate from the statewide races and the second largest showing for the conference.
- Letters of support for Pa energy were sent to US Senator Bob Casey and US House Rep. Connor Lamb.
- Written testimony was sent to the Meadville City Council opposing their Climate Action Proposal which would be detrimental to the Meadville business community.
- Our Op-Ed on Pennsylvania energy was published in the *Butler Eagle*, *Erie Times News*, the *Warren Observer*, *The Meadville Times*, and the *New Castle Times*.
- Stop No New Taxes coalition featuring Pa Representative Joshua Kail.
- Meeting with the newly elected Pa Senate Majority Leader Joe Pittman.
- Rep. Rob Mercuri's bi-monthly Wexford Business Roundtable.
- PA Senate Transportation Committee Hearing, Chair Sen. Wayne Langerholc.

MBA Business Magazine Highlights:

- Inflation, Prescription Drug Pricing, Second Chance Hiring, Natural Gas Energy, Election Forecast, CNI Victory, and the Pa Turnpike.
- Guest articles included Pa House Whip and Manufacturing Caucus Chair, Donna Oberlander and Pa Director of the Freedom Foundation, Hunter Tower.

MBA Supported Legislation Helpful to Members

MBA lobbied lawmakers and helped push legislation over the finish line on priority issues to reduce health care costs, taxation, workforce, transportation, and energy.

HEALTH INSURANCE COSTS – MBA diligently worked to pass Association Health Plans. The bill drafted by MBA with other organizations would allow businesses in the small group market to join together in an association. The structure would provide the ability to purchase health insurance with the same benefits as those in the large group market, thereby reducing insurance costs.

TAXATION – Corporate Net Income Tax (CNIT) Rate Reduction – Our 9.99 percent CNIT – the highest flat rate in the country – has been a red flag for businesses considering locating to Pennsylvania. Beginning January 1, 2023, the tax rate will decrease to 8.99 percent. The rate is scheduled to decrease 0.5 percentage points until it reaches 4.99 percent in January 2031, taking PA from the highest flat rate in the country to the sixth lowest.

TAXATION – SMALL BUSINESS TAX REFORM – Section 179 of the Internal Revenue Code – In 2022, the tax code was amended to allow conformity to federal income tax code for Section 179 expensing for pass-through businesses. Federally, Section 179 of the Internal Revenue Code lets small business owners offset the cost of investment by allowing the deduction of up to \$1 million of investment in the year the investments were made... while Pennsylvania only allowed expensing of \$25,000. This is a positive development for small business owners and their employees as additional capital formation increases productivity, encourages wage growth, and increases output.

TRANSPORTATION /Bridge Tolling – Senate Bill 382 – Act 84 of 2022 – When MBA heard that PennDOT was preparing to move forward with their plan for tolling nine interstate bridges to generate revenue to undertake bridge repairs across Pennsylvania, MBA expressed our opposition and supported **Senate Bill 382**. Act 84 makes changes to the Public-Private Transportation Partnership (P3) approval process and requires legislative approval of transportation P3s that impose user fees. The Act allows PennDOT to move forward with the construction projects without tolls while preserving engineering and design work that has already been completed.

TRANSPORTATION – House Bill 2398 – ACT 130 of 2022 Highly Automated Vehicles (HAVs) This provides for the testing and deployment of HAVs and for the operations of the vehicles with or without a driver on board. Over the long-term, HAVs may provide relief due to the shortage of CDL drivers. MBA member Bruce Kern, President, C.A. Curtze Company, assisted with the letter of support by briefly explaining how the driver shortage creates a difficult, vicious cycle and strains his entire food distribution service operation. Letters were sent to the House and Senate.

TRANSPORTATION – House Bill 987 – ACT 107 of 2022 Amends the Vehicle Code to create a process allowing individuals to restore their driving privileges for suspensions resulting from non-vehicle violations. Act 95 only removed suspensions prospectively and did not address individuals serving or waiting to serve suspensions for the violations committed prior to Act 95. The result – more people have licenses and transportation to work!

Our goal is always to do what is in the best interest of you, our members. The MBA Government Affairs department will continue to fight for you in 2023.

