



The Bulletin

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Manufacturing Jobs On the Rise In PA, Other States; PMA Thanks Governor, General Assembly

The number of manufacturing jobs has increased in Pennsylvania for the first time in five years according to the Manufacturing News, a Chicago firm that has chronicled manufacturing trends in the country for the past 100 years. While Manufacturing News noted that manufacturing jobs in other states are likewise on the rise, PMA Executive Director David N. Taylor also gave credit to Governor Tom Corbett and the General Assembly for working towards an environment that is more receptive to the creation of those jobs.

“The changes in workers compensation law, reasonable Marcellus Shale regulations, and the incentives for the cracker plant certainly help in practical terms,” Taylor said. “Like the message Governor Corbett just shared in California, this also sends out a notice to other businesses that we want you here and we’re willing to make the changes needed to get you here.”

(Ed note: On Wednesday, August 15 Shell Oil officials held a public meeting in Beaver County to lay out plans for a multi-billion dollar petrochemical plant that’s expected to create thousands of jobs. The proposed plant will be near Monaca along the Ohio River. In June, the General Assembly approved a tax incentive plan as part of an economic development package to encourage Shell to build the plant in Pennsylvania.)

Manufacturers News reports that Pennsylvania gained 3,776 industrial jobs between June 2011 and June 2012, an increase of half a percent. Tom Durbin, President of Manufacturers News, said the fundamentals are in place for the trend to continue. “One of the key factors is that wage rates, particularly in China, have increased,” Dubin said. “That makes the U.S. worker simply more competitive now.”

Dubin also cites the rising cost of shipping. “It’s gotten very expensive for a company to ship materials over to another country and then have the finished product shipped back.”

Finally, Dubin said that having the manufacturing process here gives companies more control over the process and over intellectual property rights.

Some of the highlights for Pennsylvania include Ocean Spray's announcement that it will open a new juice bottling facility in Allentown; the recent establishment of Pratt Industries' corrugated box plant in Macungie; the expansion of Alcoa's operations at its plant in Upper Burrell Township; and the opening of Glasswerks Inc.'s new glass plant in Easton. Pharmaceutical maker Daiichi Sankyo recently established a packaging plant in Bethlehem; Rehrig Pacific Logistics plans to open a fiberboard plant in Glendon Borough; GE Transportation announced the opening of a new diesel engine remanufacturing plant in Grove City; and PrintHarmony.com opened a printing plant in Easton.

Voter ID Law Stands; Doesn't Discriminate, Judge Rules

Commonwealth Court Judge Robert Simpson turned down a request to grant an injunction against a state law that requires voters to present a photo ID. In his opinion, Judge Simpson wrote that the law is neutral, nondiscriminatory, and applies uniformly to all voters. Speculation about the potential problems in issuing valid photo IDs or confusion on Election Day did not warrant "invalidation of all lawful applications," the Judge wrote. He added, he believed that state officials and agencies were actively resolving problems with the law and that they would carry it out in a "nonpartisan, even-handed manner."

The Department of State, which oversees elections, is working with other agencies to ensure that all Pennsylvanians can receive a legal, valid photo ID at no cost. Most recently, Secretary of the Commonwealth Carol Aichele announced enhancements to the state's VotesPA.com website and the launching of VotesPA outreach on Facebook and Twitter to inform Pennsylvania voters about the requirements of the new state voter ID law.

"We are using the VotesPA website and social media as tools to make Pennsylvania voters aware of the new voter ID law," said Aichele. "We want to make sure voters understand what IDs are acceptable for voting and help those who don't have such IDs obtain the identification they need this fall. I believe social media will be especially helpful in reaching younger voters."

In a statement released after the ruling Governor Corbett said: "Now that the court has upheld the constitutionality of the law, we can continue to focus our attention on ensuring that every Pennsylvania citizen who wants to vote has the identification necessary to make sure their vote counts."

House Hearing Probes Depth of State's Public Pension Woes

The state's public pension systems are groaning with debt and pending legislation would chip away at the problem rather than get to the heart of it. That's the bad news members of the House Finance and State Government Committees heard this week at a hearing on the issue in Harrisburg.

Rick Dreyfuss, senior fellow with the Commonwealth Foundation, told committee members that without some drastic changes to the system, the General Assembly is staring at the prospect of increasing taxes by up to \$2 billion each year. Dreyfuss said the state is in danger of "generational theft" by pushing the financial burden to younger Pennsylvanians.

Most of the legislative solutions would move public employees to a program similar to a 401(k) in the private sector. The change would hold for new hires only.

In total, Jim McAneny, the Director of the Public Employee Retirement Commission, estimates the debt being \$40 billion with another \$10 billion in health care and other post employment costs. The Corbett Administration predicts the state's pension obligations will swell to \$4.2 billion in 2016, up from the current fiscal year obligation of \$1.6 billion.

Just last month, Moody's Investors Service lowered the state's credit rating, citing state employee and teacher pension debt.

McAneny noted that PA's local governments face \$6 billion in unfunded pension liability based on "distress scores" recently submitted by the local governments to his office. Local governments are required to submit the financial information under a 2009 state law that monitors the fiscal health of local pension and sets guidelines for their recovery. Pennsylvania has 3,200 municipal pension plans, and two-thirds of them have ten members or fewer. Consolidating them would save millions, McAneny said.

"Tell me where in the manual of good business does this make sense," McAneny said. "The savings under the economies of scale from consolidation would be enormous."



DeWeese Booted From General Election Ballot

It appears as though former Democrat House Leader Bill DeWeese's political career is finally over. Commonwealth Court Judge Bernard McGinley recently ruled that DeWeese, now serving time in state prison for public corruption charges, should be removed from November's General Election ballot.

"DeWeese's criminal conduct and conviction have rendered him ineligible to hold public office," McGinley wrote. "... DeWeese's prison sentence will span the entire term of the elected position and, if in fact he won the general election in November 2012, his felony convictions would bar him from holding office."

DeWeese won the Democratic nomination on April 24; the same day he was sentenced. No state law forbids a convicted felon's name from being on the ballot. However, state law does forbid a felon from serving. DeWeese's lawyers argued that if his conviction is overturned on appeal, he could serve his term. Ultimately, Judge McGinley disagreed with this argument.