

May 19, 2010

The Honorable

Dear Representative:

The Pennsylvania Chamber of Business and Industry respectfully requests your co-sponsorship of legislation being circulated by Representative Scott Perry providing for comprehensive reforms to the Pennsylvania Unemployment Compensation Law.

The UC Trust Fund is currently insolvent, requiring the Commonwealth to borrow approximately \$2.5 billion in the past twelve months from the Federal Unemployment Account in order to pay regular state UC benefits. Borrowing will continue with a projected loan balance through 2017 of over \$7 billion. Partly due to the economic recession, benefit payouts are at historical highs. Revenues aside, the business community strongly believes that the fundamental flaws in the Commonwealth's UC system must be addressed in order to slow the growth of a Fund that has seen benefit payout liberalized over the past several years.

This legislation goes a long way in restoring balance, fairness, and competitiveness to a system that today offers none of the above. All employees need and deserve a UC system that compensates them adequately when they are out of work and their unemployment is not primarily due to their own choices or preferences. Employers want consistency and predictability. All Pennsylvanians want the UC system to be fair and honest. This bill is a step in the right direction for employees and employers, and will make Pennsylvania more competitive with its neighboring states.

Representative Perry has developed a rational, sensible approach that will reign in costs and make Pennsylvania more attractive for businesses to operate in the Commonwealth. The Chamber respectfully urges your co-sponsorship of this important initiative.

If you have any questions or concerns, please do not hesitate to contact me at 717-720-5580 or sdenisco@pachamber.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Denisco". The signature is fluid and cursive, with a large initial "S" and "D".

Sam Denisco
Director, Government Affairs