



POLITICAL UPDATE

January 2016

Happy New Year, and thank you for reading the first Western PA NECA Political Update! I plan to send these updates periodically to keep you informed on what is happening in the world of government affairs as it relates to electrical contracting.

Also, look for the PolitiFact Truth-O-Meter widgets for some interesting information about hot-button national issues. PolitiFact does a great job of researching and presenting a nonpartisan explanation of important topics that is sometimes hard to find in the media today. Click the images for a link to the full articles.

My goal is to send you information that you find helpful and that is useful for you and your business. Please let me know if you have any feedback or suggestions for topics you would like to see in future editions.

Take a look:

- [Gov. Wolf Makes Holiday Decision on State Budget](#)
- [Elections Update](#)
- [Partnering with Penn-Del-Jersey: Presenting a Unified Voice for PA Electrical Contractors](#)
- [State Government Introduces New Unemployment Compensation Website](#)
- [Federal Update: Huge victory for construction industry with passage of substantial transportation, tax, and energy policy bills](#)

Gov. Wolf Makes Holiday Decision on State Budget Options:

On December 29th, Governor Wolf announced that he would approve certain "emergency" funding to allow the state's school systems and human services programs to continue to function, despite the still unresolved budget negotiations between the governor and the Republican-led state

legislature.

The public outcry for school and human services funding has been strong as the dispute for the Fiscal Year 2016 budget stretched into its sixth month in December.

The types of funding allowed by Governor Wolf through his line-item veto are designed to get legislators back to the negotiating table, and we will likely see the struggle continue for a complete budget.

Follow @WPANECAGovAffrs on Twitter for more frequent updates on the status of the negotiations.



"Existing law right now requires 700 miles of double-layered border fencing" on the Mexico border.

— Ted Cruz on Thursday, December 17th, 2015 in a radio interview.



(Source: PolitiFact.com)

Elections Update

November 2015

Democrats now hold a strong 5-2 majority in the PA Supreme Court with the election of three Democrats to the Court's open positions, replacing two vacant seats and an interim Republican justice. Judge Kevin Dougherty, brother of Philadelphia Local 98's Business Manager John Dougherty, along with Superior Court Judges Christine Donohue and David Wecht will take office this month to start their 10-year term.

Republican and former district judge Guy Reschenthaler won the special election for PA Senate District 37, which represents much of Southwestern Allegheny County, including Mt. Lebanon, Upper St Clair, South Park, and Moon Township, as well as Peters Township in Washington County. Democrat Matt Smith stepped down from the seat in June 2015 to become President of the Greater Pittsburgh Chamber of Commerce. The flip from a Democrat to Republican seat has been considered a reflection of the region's displeasure with Governor Wolf progress during his first year in office. Reschenthaler was sworn in on November 24th, strengthening the Republican majority in the Senate to 31-19.

Issues to Watch

Pennsylvania's 2016 primary election will be held on Tuesday, April 26th.

In addition to the Republican and Democratic primaries for the presidential election and all House districts, there are a number of other notable races taking place as well.

Senator Pat Toomey is up for reelection for the first time. His opponents vying for the Democratic spot to challenge him are, alphabetically, Braddock mayor John Fetterman; former chief of staff to Governor Wolf and former Secretary of the PA Department of Environmental Protection Katie McGinty; and retired Navy Admiral and former Congressman Joe Sestak.

State Attorney General Kathleen Kane, a Democrat who is currently under investigation for perjury and other charges of misconduct, will finish her term in 2016. The severity of accusations against Kane has continued to worsen over the last few weeks, and questions remain about her ability to run for reelection while her law license is suspended. Her current opponents are

Democrats Stephen Zappala, Allegheny County District Attorney, and Attorney Jack Stollsteimer; and Republican State Senator John Rafferty.

Additionally, your primary ballot will include a state referendum on increasing the state judges mandatory retirement age from 70 to 75 years old. Proponents of the increase argue that the court system would benefit from keeping long-standing judges on the bench for an additional five years, and that there is no reason to force upstanding, respected judges to retire when they are able to continue working effectively. Opponents of the measure argue that judges receive a very generous salary and benefits package, and there is no reason to provide that for an additional five years while there are other candidates for the position who can perform the job's duties.

At this time, NECA has not taken a position on these races.

March 28th is the deadline to register or to change your party affiliation before the April primary. You can access the online and paper forms to do so [here](#).



"Only nine" coalition nations with the U.S. "are truly actively involved" in fighting the Islamic State.

— Rob Wittman on Wednesday, December 9th, 2015 in an interview.



(Source: PolitiFact.com)

Partnering with Penn-Del-Jersey: Presenting a Unified Voice for PA NECA Contractors

As the saying goes, there is strength in numbers. The same is true for accomplishing policy goals at the federal, state, and local government levels. That is why the Western PA NECA Chapter has begun work with the Penn-Del-Jersey NECA Chapter in Eastern PA to develop a unified voice to present to the lawmakers that represent all of Pennsylvania's NECA contractors.

Of course not all issues are the same for Western PA and Eastern PA contractors, but in many cases we can work together to bolster our influence with our elected officials.

Some of the topics we have started work on include:

- PennSTAR PACE Financing - PACE is a program that would help create attractive financing options for energy efficiency and renewable energy projects that could help you win more jobs with existing and new customers.

*****Please attend our March 21st NECA ECAP Seminar
to learn more*****

- Unemployment Compensation (UC) - Due to changes in Act 60 UC eligibility and benefits requirements, some building trades and utility workers are having difficulty qualifying for UC because of the seasonal nature of the construction industry. This is affecting workforce supply for NECA contractors because journeymen are decline work for fear of becoming ineligible for UC benefits.
- Electrical Licensure - Discussions continue at the state level about if and how to implement a statewide electrical licensure program. We

are following all of the proposals and developments to ensure that NECA contractors' interests are best served by any changes or agreements that are made.

In the coming months, we plan to schedule meetings with local legislators in their home districts, as well as in Harrisburg and at the NECA Legislative Conference in Washington, D.C to discuss our policy priorities.

Contractor participation in these meetings is vital to begin or to improve relationships with your elected officials, so I hope that you all will be able to attend!

State Government Introduces New Unemployment Compensation Website

On December 9th, the PA Department of Labor & Industry (L&I) launched a [new website](#) for handling Unemployment Compensation (UC) claims and information. Individuals receiving UC benefits can file and check the status of claims, as well as manage direct deposit and other personal information.

The Department has announced that the website will also include UC tax and benefits information relevant to employers that work with UC claims.

If you haven't already, please feel free to explore the new website. L&I Executive Deputy Secretary Bob O'Brien will be speaking at our January 21st general membership meeting, and he will be available for questions and comments about the website and any other concerns you have.

Federal Update: Huge victory for construction industry with passage of substantial transportation, tax, and energy bills

Transportation: For the first time in 10 years, Congress passed a [multi-year transportation bill](#) (H.R. 22) that will provide security and opportunity for projects totaling \$305 billion on highways and mass-transit systems nationwide over the next five years. President Obama signed H.R. 22 into law on December 4, 2015.

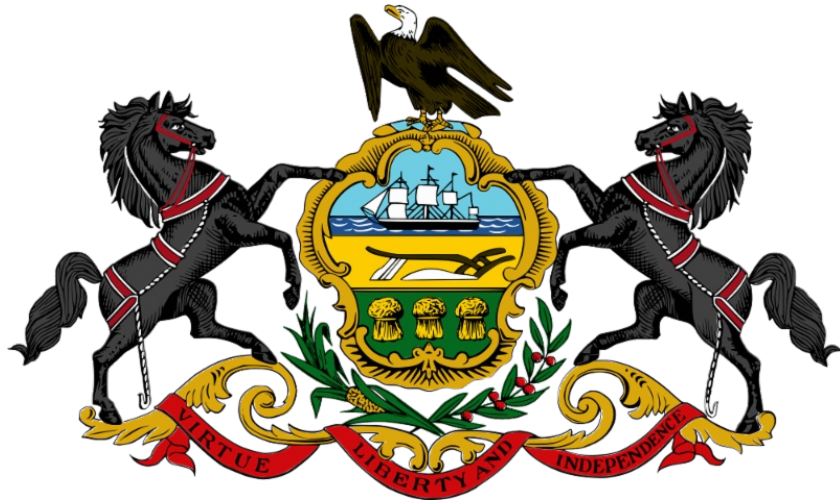
Taxes: In the process of negotiating appropriations for Fiscal Year 2016, the House and Senate have come to an agreement on an extensive [tax credit extenders package](#). According to the federal government affairs staff, among the biggest victories for NECA contractors are:

- A two-year deferral on implementation of the Obamacare Cadillac Tax on qualifying health plans, which include IBEW and NECA plans
- A permanent extension for the 15-year straight-line cost recovery for qualified leasehold improvements
- A permanent extension of the Research and Development credit, with modifications to let qualified small businesses claim it against the alternative minimum tax and their payroll taxes
- A permanent extension for qualified restaurant buildings and improvements and qualified retail improvements
- A permanent extension for increased expensing limits under Section 179 of the tax code and the subpart F exception for active financing income
- A five-year extension of the production tax credit for wind energy with a phaseout to 40% by 2019
- A five-year phasedown from 30% to 10% of the investment tax credit for solar between 2017 and 2022.

Energy Policy: NECA is also awaiting Senate consideration of H.R. 8, the North American Energy Security and Infrastructure Act, which will address overarching policies about the transmission, distribution, and storage of

energy, for the first time in a decade. Updating federal policies on issues such as liquified natural gas (LNG) exports and advanced electrical resiliency technologies will help to foster a 21st century energy sector.

Weekly Federal Government Affairs Updates: If you would like to receive NECA's federal government affairs newsletter, emailed at the end of each week, please email jnsalerno@wpaneca.com to be added to the list.



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