

June 26, 2014

Dear Senators Scarnati, Eichelberger, Vogel, Hutchinson, Robbins, Smucker and Wagner:

The Greater Pittsburgh Chamber of Commerce strongly urges you to support SB 1111 without amendments. This legislation reforms the Act 111 binding arbitration law, and is currently in the Senate Local Government Committee.

Business leaders in southwestern Pennsylvania and across the state care deeply about the Commonwealth and the communities we live and operate in. We want to see them succeed, as no one wants to live, work or grow a business in an over-taxed, under-served, unsafe and fiscally unstable community. Like you, we understand that uncontrolled costs result in layoffs, service cuts and/or tax increases. These options harm the very workers, residents and businesses needed to sustain and grow a community.

A chief cost-driver for municipal budgets is labor costs associated with adverse and unaffordable binding arbitration awards under the provisions of Act 111 of 1968 (Policemen and Firemen Collective Bargaining Act). Senator Eichelberger's proposed legislation will reform and modernize Act 111 for the first time in 45 years and level the playing field between employers and employees. These common-sense reforms will make the process fairer for municipalities, less costly to taxpayers and *ensure arbitration rights are retained for future generations of police and fire fighters*.

Senator Eichelberger's Act 111 reform measures include the following provisions:

- Penalize either party for failing to engage in good faith bargaining;
- Must show ability to pay through justification and consideration of new costs;
- Start arbitrator selection process between both parties by coin toss;
- Expand the list from which a neutral arbitrator is selected from 3 to 7;
- Require the cost of arbitration be shared equally between both parties;
- Start collective bargaining earlier in the year and require arbitration be requested earlier;
- Require evidentiary hearings to be open to the public (sunshine law);
- Clarify avenue for appeal process and municipal relief;
- Prohibit post-retirement healthcare and pension benefits within collective bargaining.

We commend state policy makers for beginning to recognize and tackle municipal reform issues. Pennsylvania's 2,562 municipal governments operate under outdated, inflexible and uncompetitive state laws and policies that often undermine even the best managed municipalities. We believe this legislation would be a step in the right direction for providing municipalities the tools they need to run a fiscally responsible government.

Again, we thank you for considering this important issue and urge your support for SB 1111, reforms to Pennsylvania's binding arbitration law.

Sincerely,



Dewitt Peart
President, Greater Pittsburgh Chamber of Commerce