



An Affiliate of the Allegheny Conference on Community Development

**Matt Smith, President of the Greater Pittsburgh Chamber of Commerce  
House Republican Policy Committee  
Thursday, November 16, 2017  
United States Steel Research & Technology Center  
800 E. Waterfront Drive, Munhall, PA**

Thank you Chairman Benninghoff and members of the Committee for the opportunity to talk to you today about the importance of manufacturing, technology and energy in our regional economy, and how these industries fit into a broader economic growth agenda that we want to start talking about for our region and our Commonwealth.

I am Matt Smith, President of the Greater Pittsburgh Chamber of Commerce. As you may know, the Greater Pittsburgh Chamber is an affiliate of the Allegheny Conference on Community Development.

For nearly 75 years, the Allegheny Conference has played an important role in convening public- and private-sector leaders in southwestern Pennsylvania to drive a regional discourse around improving our economy and quality of life.

We believe there is an opportunity to leverage our region's inherent assets – a talented workforce, internationally recognized university systems, and world-class manufacturing, technology and energy industries, to name a few – in order to ignite a dialogue around a broader “growth agenda” for our community, region and Commonwealth.

According to the US Energy Information Administration, we are now the second highest U.S. natural gas producing state. The way in which we transport natural gas and gas liquids is increasingly important to the region and Commonwealth. Pipelines are the safest and most reliable method to transport energy to domestic and international markets, but pipeline projects also provide real and tangible local economic benefits. They create tens of thousands of construction jobs, millions in annual estimated tax revenue to municipalities and the state, and additional benefits to manufacturing and other industries that rely on energy supplies.

As we know from the Conference's "Inflection Point" report, a strong education system and talented and well-trained workforce is imperative to private-sector success. After all, if business attraction and expansion leads to economic growth, then talent – which is a driver of business success – needs to meet industry needs. To this end, we see a critical need to invest in the labor marketplace, high-skilled training and bridging a great divide between educators and employers so that we can align our labor supply and pipeline with the market and where it is headed, specifically when it comes to industries such as manufacturing, technology and energy – which is where we see our regional economy heading as we look into the future.

We also are keenly aware of the importance of tax and regulatory policy. In order to encourage current businesses to expand here and to entice new industries to set up shop here, we must reduce our 9.99 percent corporate net income tax rate and lift the cap on the net operating loss carryforward provision. Our high CNI rate is a red flag to any business before they even take a closer look at our state. And Pennsylvania is one of only a handful of states that caps the amount of net operating losses a company can offset against its current corporate net income. For cyclical companies – like manufacturers and high-growth tech start-ups – that means effective tax rates in Pennsylvania are