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Pennsylvania
IS
Our Business”

PENNSYLVANIANS SUPPORT BIPARTISAN HOUSE/SENATE PRO-GROWTH TAX REFORM, POLL SHOWS

CompetePA legislation put forward by Sens. Browne and Fontana, Reps. Gerber, Turzai, Eachus, and Reed

Pennsylvanians strongly support the bipartisan, pro-growth business tax reforms introduced in the state House and Senate, a recent survey reveals.

Endorsed by the CompetePA coalition, the legislation would:

- **Uncap NOL carryforward** – allowing businesses to apply all of their recent operating losses against their current and near-future tax liability, as is law in 48 other states; and
- **Enact a Single Sales Factor** – assessing Corporate Net Income (CNI) tax liability solely on in-state sales, eliminating the tax on in-state hiring and investment.

The bill’s Senate sponsors are Sen. Pat Browne (R-Lehigh) and Sen. Wayne Fontana (D-Allegheny), with Reps. Mike Gerber (D-Montgomery), Mike Turzai (R-Allegheny), Todd Eachus (D-Luzerne), and Dave Reed (R-Indiana) leading the effort in the House. CompetePA includes over 120 Pennsylvania employers and business organizations, including PMA.

To gauge public opinion on the state’s economy, the Pennsylvania Business Council (PBC) ordered a survey, which was conducted by Susquehanna Polling & Research. By a

(See **CompetePA** page 3)

Longtime PMA board member Jack May dies at 79

PMA notes with sadness the passing of longtime board member Jack May of Berwyn, who died on March 23, 2008 of heart failure at his second home in Hobe Sound, Florida. Former chairman and longtime partner of the Philadelphia law firm Duane Morris, he was a civic activist and accomplished golfer. Born in Michigan in 1928, A. John May grew up in Selinsgrove and was educated at Mercersburg Academy.


Mr. May attended Princeton University on an ROTC scholarship and later served in the Army in Korea from 1951 to 1952 with the 18th Airborne Corps and 45th Infantry Division, achieving the rank of Captain. He served with the 28th Infantry Division in the Pennsylvania National Guard from 1954 to 1957.

Immediately after graduating from Harvard Law School in 1954, Mr. May joined Duane Morris L.L.P., where he worked for 54 years, building a well-earned reputation as a great mentor and lawyer. During his career, Mr. May become the “lawyer of choice” for many of the firm’s largest corporate clients. Mr. May established the firm’s corporate law division, became partner in 1963, served as vice chairman from 1984 to 1988 and chairman from 1989 through 1994. He retired on Dec. 31, 1998, becoming “of counsel” to the firm.

Mr. May was the former chairman of the board and director of PMA Capital Corporation. He was also a key lawyer and advisor to Bethlehem’s First Valley Bank, which is now part of Bank of America. He also worked with Urban Engineers, Inc.

Mr. May lived for 44 years in Berwyn, where he served on the Easttown Township Zoning Board, Board of Supervisors, and the planning commission. He was honored by the township’s supervisors in 1988 for three decades of service.

A passionate golfer, Mr. May was a founder of Waynesborough Country Club in Paoli and Stonewall in Elverson, where he remained active in daily operations until his death. He was also a member at Pine Valley for many years.

He is survived by his wife of 55 years, Gwendolyn; his daughters Ann Moore, Susan Eckman and Elizabeth Gieske; his son, A. John May III; and fourteen grandchildren. All four of Mr. May’s children are lawyers. 

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Frederick W. Anton III
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ADVENTURES

in
LAW SUIT ABUSE

Trying their best to avoid lawsuits, manufacturers will go to any length to anticipate potential stupidity that could lead to the misuse of their products.

Here are the 2007 winners of the Wacky Warning Labels contest:

2nd Honorable Mention: a **Vanishing Fabric Marker**

WARNING: "The Vanishing Fabric Marker should not be used as a writing instrument for signing checks or any legal documents."

1st Honorable Mention: a **"zip"-style letter opener**
"CAUTION: Safety goggles recommended"

Third Place: a **small storage pouch under a baby stroller**
WARNING: "Do not put child in bag"

Second Place: an **iron-on T-shirt transfer**
WARNING: "Do not iron while wearing shirt"

And the winner is: a label on a **small tractor**
"DANGER! Avoid Death"

Contest conducted by Michigan Lawsuit Abuse Watch www.mlaw.org

POLITICAL NOTES

- ◇ Democrats have chosen **Montgomery County businessman Rob McCord** as their nominee for **state Treasurer**, setting the last matchup for the three **statewide row office elections** in November. McCord's GOP opponent will be former **Montgomery County Commissioner Tom Ellis**. **Attorney General Tom Corbett** (R-Allegheny) is being challenged by **District Attorney John Morganelli** (D-Northampton), while **Auditor General Jack Wagner** (D-Allegheny) is facing off against **businessman Chet Beiler** (R-Lancaster). The rest of the primary election results are available online at www.electionreturns.state.pa.us.
- ◇ **State Senate leaders will not consider** four appellate court nominations proposed by **Governor Ed Rendell**. **Senate Majority Leader Dominic Pileggi** (R-Delaware) said **Rendell had disregarded the standard protocols** for choosing judicial nominees in consultation with the Senate. "Our central concern is with **the way the governor has chosen names**," Pileggi said at a press event. "It's **not the right process**, not the historical process for filling these very important positions in the state." There are two vacancies on the **Superior Court** and one each on the **Supreme Court** and the **Commonwealth Court**.
- ◇ The investigation of **bonus payments** made to legislative **staffers who worked on political campaigns** continues. Former **House Minority Whip Mike Veon** (D-Beaver) has **shut down his high-profile lobbying business** after only one year of operation. "Veon has been caught up in the controversy over his association with a pair of Beaver County nonprofit agencies that drew the scrutiny of a state grand jury, as well as an investigation into bonuses awarded to legislative staffers of both political parties during 2005 and '06," reported the **Pittsburgh Tribune-Review**. In related news, the **Pittsburgh Post-Gazette** reports that **House Democrats shredded personnel records that were under subpoena**.

tremendous margin, respondents believe the single most important problem facing Pennsylvania today is the economy, jobs and unemployment. In a survey of 700 voters taken last month, 36 percent said their greatest concern is economics and jobs – more than twice the number who cited the second most frequent response: “taxes.” Nearly two-thirds of those surveyed support enacting a Single Sales Factor, while more than half of those surveyed support uncapping NOL carryforward.

“This polling shows that Pennsylvanians, in very large numbers, want the state government to take action to help employers and to create jobs,” said PBC President & CEO David W. Patti. “A majority of Pennsylvanians support tax changes that would help firms with operations and facilities in Pennsylvania better compete with out-of-state competitors.” The complete results of the survey, which has a margin of error of 3.7 percent, are available online at www.pabusinesscouncil.org.

“There is tremendous bi-partisan legislative support for these tax changes,” Patti noted. “More than half of the Senate and about two-thirds of the House have signed-on as co-sponsors of legislation to enact these very same tax changes. These bills are supported by PBC and a vast array of companies and business associations working together as part of the CompetePA coalition. We want lawmakers to know that their constituents support the adoption of this legislation.”

At the end of April, Pennsylvania’s Department of Revenue reported total overpayments from taxpayers had reached \$437 million.

“As elected officials in Harrisburg debate how to stimulate Pennsylvania’s economy, the business community is united behind the pro-growth CompetePA agenda,” said Frederick W. Anton III, President and CEO of the Pennsylvania Manufacturers’ Association. “Improving the state’s economic fundamentals will help bring us in line with our competitor states, which have been consistently outperforming us. The bipartisan Browne-Fontana/Gerber-Turzai legislation is the stimulus Pennsylvania’s employers are asking for.” [PMA](#)

- NOTABLE QUOTE -

“It’s a threat to our national security and to our economic position in the world, a threat that is posed by the relentless efforts of foreign intelligence services to penetrate our security systems and steal our most sensitive military technology and information.”

**Kenneth L. Wainstein,
Assistant Attorney General
for National Security
on Chinese espionage,
March 31, 2008**

AROUND THE STATE

◇ “State gaming regulators ordered their investigators to **change a background report** on Mount Airy Casino Resort owner **Louis DeNaples** – and gave DeNaples **early access to challenge its findings** – before awarding him a slots license,” The Morning Call of Allentown has reported. “DeNaples’ final background report included only brief references to what [investigators] had uncovered about DeNaples, including alleged ties to reputed **mobster William D’Elia**, questionable **campaign contributions to Gov. Ed Rendell** and others by some of DeNaples’ businesses, and the **purchase and resale of trucks damaged by Hurricane Katrina** by a company DeNaples co-owns.” To reform Pennsylvania’s gambling law, state **Sen. Jeff Piccola** (R-Dauphin) has introduced Senate Bill 1331, which would transfer all **investigative and enforcement authority to the Attorney General**, open licensing proceedings to the public, ban felons from operating casinos, strengthen the **subpoena powers** of the “Gaming Control Board”, **eliminate legislative appointments** to the Board, and ban Board members from holding **outside employment**.

◇ Pennsylvania doctors are **no longer receiving a taxpayer-funded subsidy** to offset the high cost of **medical malpractice insurance**. “The Senate passed House Bill 489, which included **a one-year MCARE abatement extension**, with a bipartisan unanimous vote in December 2007. It has been sitting in the House Rules Committee since Jan. 14, 2008,” wrote **Sen. Jane Earll** (R-Erie) in the **Erie Times-News**. “Since that time, **Gov. Ed Rendell and House Democrats have held the bill hostage** to a separate issue of providing **insurance coverage to all uninsured Pennsylvanians**. I feel very strongly, as do my colleagues, that the one-year MCARE abatement extension **should be enacted immediately**. Broader debate on health-care issues can continue, but the **physicians, hospitals and nursing homes** of Pennsylvania **should not be caught up** in a political quagmire not of their making.”

◇ Giving perspective to Pennsylvania’s **large and growing infrastructure deficit**, PennDOT reports that **\$11 billion is needed to repair 6,000 bridges** across the commonwealth. “There are a lot of old bridges that continue to get older, continue to get in disrepair, that haven’t been addressed because we don’t have the resources to invest in them,” **PennDOT Deputy Secretary for Planning James Ritzman** told the Upper Bucks Chamber of Commerce.

REMEMBERING JACK MAY

by Frederick W. Anton III

I first met Jack May in 1970 when I was 36 and he was 41. I was the acting president of PMA and hoped to be named president. I needed the counsel, legal and otherwise, of somebody who knew his way around these matters. A mutual friend pointed me to Jack. I quickly discovered that Jack understood corporations and corporate law because he understood people. It is not an overstatement to say he shaped the rest of my life and only in positive ways, even after Jack retired from the PMA Boards in 2002. After learning of his death, Governor Rendell said of Jack, "He filled a room with the power and the strength of his personality." I agree with that completely, and would add to it this: He made you feel better about yourself and what you were trying to accomplish. He made anything seem possible. I was lucky to have him as an integral part of PMA for many years.


His first piece of advice for me was, "Let's get to know the board members." And that's what we did. We got in a car and drove here and there and met with the PMA board members. If they played golf--and Jack truly loved golf--we'd play golf. If they liked to eat--and who doesn't like to eat?--we'd get a meal together. Jack's ability to listen, and to make people comfortable, was a form of art. He never tried to impress people with his Harvard Law degree or his mastery of arcane corporate rules. He had the ability to simplify things. I learned how to socialize in business and politics by watching Jack.

If I think over the past 38 years, almost every time I had an important meeting—with Ed Rendell, Dick Thornburgh, Tom Ridge, Ron Castille, Frank Rizzo,

Matt Ryan, Merc Hagar, Bob Jubelirer, among dozens of others--Jack was there.

If I think about many of my most memorable golf games over those years, Jack was there, too: at St. Andrews in Scotland, at Pebble Beach, up and down the East Coast. Jack played fast and often well. He liked being outside and in the company of other golfers, most especially his wife, Gwen. He knew his way around the course, the clubhouse, the pro shop, the locker room, the 19th hole. One of the greatest joys in my life is being a member of Pine Valley, a celebrated course in New Jersey. It is a special pleasure to bring others there. It's not an easy place to join; Jack was my sponsor.

Jack's dream as a golf enthusiast was to create a club where golf could be played as he felt it should be played, without interruption or delay. He asked me to join him in this quest and I am proud that I worked with him as Jack turned several hundred acres in northern Chester County into the two courses of the Stonewall Golf Links, the first opening in 1993 and the second ten years later. Everything at Stonewall is done just the right way. The clubhouse is a converted barn and farmhouse that is as handsome and lovely as anything you'll find in golf. Jack's spirit lives in everything there is at Stonewall. The club is a continuing memorial not only to Jack's love of golf but to his sense of camaraderie.

I miss him. I've lost a friend. 

FWA III
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