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July 10, 2009

Dear House Members:

Pennsylvania has moved into the next fiscal year without a budget and with a \$3.2 billion shortfall for FY 2008-09 as a result of reduced revenues due to the economic recession. Given these circumstances, we strongly encourage you to take the appropriate actions for Pennsylvania's taxpayers and employers and adopt a budget that is fiscally responsible and contains no new or increased taxes.

Since 2003, the state General Fund budget has increased 39 percent (18 percent after adjusting for inflation) – more than twice the increase in the eight years preceding 2003. Now, in this weakened economy, is the time for state government to demonstrate it must live within its means. Business and individuals across Pennsylvania have had to make difficult financial choices. Government must do the same.

Fiscal restraint shown now will help better position the Commonwealth and its taxpayers for the future, whereas increasing taxes on job creators will slow Pennsylvania's economic recovery. It is possible to fund core government programs while cutting spending and holding the line on taxes. We understand that cuts are never easy, but Pennsylvania cannot increase spending and risk further burdening hard-working taxpayers at a time when we all face significant challenges to our prosperity.

Please support a fiscally responsible budget that ensures government operates more efficiently and positions Pennsylvania for growth. For budget negotiations, this includes:

- Reducing spending for the operation of core government programs *without* implementing tax increases such as a health insurance premium tax, implementing a natural gas severance tax, increasing tobacco taxes, increasing the Personal Income Tax, or freezing the scheduled phase-out of the Capital Stock and Franchise Tax. This is especially true if these taxes are meant to fill holes in budgetary spending.
- Looking beyond the 2009-10 fiscal year as the next few years could also be challenging for the Commonwealth and its taxpayers.

- Using temporary federal stimulus dollars responsibly to fund existing programs not create new government programs.

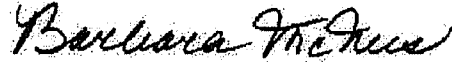
By following these principles, Pennsylvania will have a fiscally responsible budget that continues government operations without adding an additional burden to the state's job creators and working families. We will continue to make ourselves available to you and the General Assembly to facilitate this process.

Sincerely,



Floyd Warner  
President  
Pennsylvania Chamber of Business  
and Industry

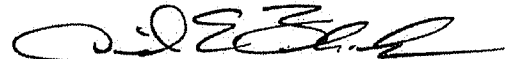
Sincerely,



Barbara McNees  
President  
Greater Pittsburgh Chamber of Commerce



Thomas T. Baldrige, C.C.E.  
President  
The Lancaster Chamber of Commerce  
& Industry



David E. Black  
President and CEO  
Harrisburg Regional Chamber and CREDC



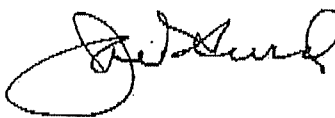
T. Anthony Iannelli  
President and CEO  
Greater Lehigh Valley Chamber of  
Commerce



Nancy P. Keefer  
President and CEO  
Chester County Chamber of Business  
and Industry



John Coleman  
President and CEO  
Chamber of Business and Industry of  
Centre County



Joe Hurd  
Executive Director  
Blair County Chamber of Commerce



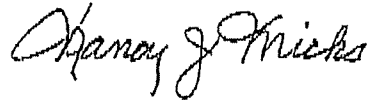
Jeffrey G. Vermeulen  
President  
Delaware County Chamber of Commerce



R. Stanley Schuck  
President  
The Main Line Chamber of Commerce



Ron Aldom  
Executive Director  
Somerset County Chamber



Nancy J. Micks  
President and CEO  
Greater DuBois Chamber of Commerce



Sally Haas  
President and CEO  
Pittsburgh Airport Area Chamber  
of Commerce



David Sciamanna  
President  
Greater Chambersburg Chamber of  
Commerce



Robert S. Carl, Jr.  
Executive Director  
Schuylkill Chamber of Commerce



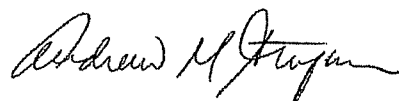
Dana Henry  
President  
Indiana County Chamber of Commerce



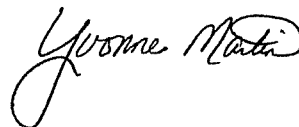
Stan M. Kosciuszko  
President  
Butler County Chamber of Commerce



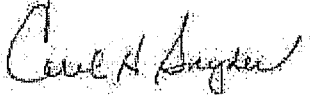
Tara King  
Executive Director  
Upper Bucks Chamber of Commerce



Andrew M. Stofan  
President  
Latrobe Area Chamber of Commerce



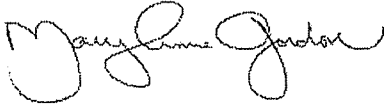
Yvonne Martin  
Executive Director  
Huntingdon County Chamber of  
Commerce



Carol Snyder  
Executive Director  
Bedford County Chamber of Commerce



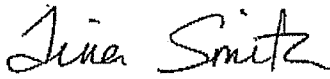
Donna Palermo  
President  
Greater Hazleton Chamber of Commerce



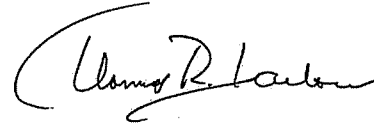
Mary-Anne Gordon  
Executive Director  
Mercersburg Area Chamber of Commerce



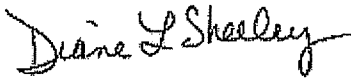
Edward Messner  
President and CEO  
West Shore Chamber of Commerce



Tina Smith  
President  
Nazareth Area Chamber of Commerce



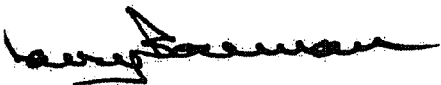
Thomas Harlow  
President  
Brush Valley Chamber of Commerce



Diane Sheeley  
Executive Director  
Bradford Area Chamber of Commerce



Charlie Anderson  
President and CEO  
Meadville-Western Crawford County  
Chamber of Commerce



Larry A. Bowman, CCE  
President and CEO  
Lebanon Valley Chamber of Commerce