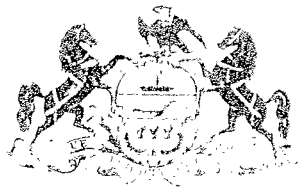


STATE REPRESENTATIVE
MATTHEW E. BAKER

PO BOX 202068
HARRISBURG, PA 17120-2068
PHONE: (717) 772-5371
FAX: (717) 705-1835

DISTRICT OFFICES:
74 MAIN STREET
WELLSBORO, PA 16901
PHONE: (570) 724-1390
FAX: (570) 724-2168

430 CANTON STREET, SUITE 6
TROY, PA 16947
PHONE: (570) 297-3045
FAX: (570) 297-5551



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

CHAIRMAN, HEALTH & HUMAN
SERVICES COMMITTEE

POLICY COMMITTEE

CAUCUSES
FIREFIGHTERS & EMERGENCY SERVICES
LOCAL TAX REFORM
RURAL HEALTH CARE
SPORTSMEN
TIMBER

APPOINTMENTS
STATE SYSTEM OF HIGHER EDUCATION
BOARD OF GOVERNORS
PA HEALTH CARE COST CONTAINMENT
COUNCIL ACT - REVIEW COMMITTEE
CAPITOL PRESERVATION COMMITTEE

MEMORANDUM

TO: ALL HOUSE MEMBERS

FROM: REP. MATT BAKER

DATE: JANUARY 12, 2011

SUBJECT: REINTRODUCTION OF HB 2693–NATURAL GAS PIPELINE SAFETY

As you are all aware, the natural gas industry is rapidly growing in Pennsylvania as a result of large reserves located in the Marcellus Shale region. The growth realized in said industry has created thousands of jobs across the Commonwealth and stimulated the local economies of areas that contain a concentration of gas wells. However, while the financial rewards related to the extraction of natural gas have certainly benefited the Commonwealth and its residents, there is a potential for a certain amount of occupational and industrial risk associated with the extraction process.

Currently, the federal government is responsible for safety oversight related to many aspects of natural gas extraction, including pipeline operator's registration and transportation of natural gas. Unfortunately, due to the growth of the industry in Pennsylvania, the federal government has expressed its desire to transfer the oversight of the aforementioned areas of concern to the Commonwealth and more specifically, the Pennsylvania Public Utilities Commission (PUC). In response, the consensus gathered at the PUC has been one of agreement. It is further my understanding that the gas industry is also in agreement with this pipeline safety legislation.

With this in mind, I will be re-introducing legislation in the coming weeks which will transfer oversight powers relating to the certain areas of the natural gas pipeline safety process to the PUC from the federal government. Additionally, the legislation will also contain rules and regulations that pipeline operators must follow. These rules and regulations will be identical to what is currently required by the federal government.

Under current law, the PUC is only permitted to regulate the pipelines of a public utility. If natural gas pipelines were to be deemed public utility lines, the PUC would essentially have the power of eminent domain, which may negatively affect property owners. With this in mind, the legislation includes language which permits the PUC to regulate natural gas pipelines without having to deem them a public utility line. Therefore, the power of eminent domain is not extended.

Further, it is important to note Pennsylvania and Alaska are the only states in the country that have a prominent natural gas extraction industry, yet do not possess regulatory power.

It is my hope that with the enactment of measures such as this, the General Assembly can work in a bipartisan manner to continue its efforts to assure that the natural gas extraction process is one that is safe and fruitful for all that are associated with it. If you wish to co-sponsor this important piece of legislation, please contact my Gina Strine in my office at 772-5769 or via email at Gstrine@pahousegop.com

Thank you!