

Legislative Journal

MONDAY, MARCH 29, 1976

Session of 1976

160th of the General Assembly

Vol. 1, No. 90

SENATE

MONDAY, March 29, 1976.

The Senate met at 1:00 p.m., Eastern Standard Time.

The PRESIDENT pro tempore (Martin L. Murray) in the Chair.

PRAYER

The Chaplain, The Reverend RICHARD DOWHOWER, Pastor of Berkeley Hills Lutheran Church, Pittsburgh, offered the following prayer:

Almighty God, we acknowledge You to have created this world. You have provided governments to accomplish Your will of justice for all men.

On behalf of the citizens of this Commonwealth I offer You thanks for Your servants, the men and women of the Pennsylvania Senate. Reinforce them in their personal sense of serving out a divine mandate as well as a human one.

As they serve out their mandates bless them, O Lord, with an intense and persistent awareness of the ideals of our great nation. Help us all to make these ideals reality for all the citizens, not only for the strong and the gifted and the powerful. Help us, O Lord, to enact the American promise into reality.

Bless each of these Senators, Lord, as they struggle to represent the many and often conflicting segments of their constituency. The people badly need to know that their needs are heard in this great Chamber. Enable us by Your grace to serve Your will, to serve the ideals we are sworn to uphold, and to serve the people of our respective districts.

I pray in the Name of Jesus. Amen.

JOURNAL APPROVED

The PRESIDENT pro tempore. A quorum of the Senate being present, the Clerk will read the Journal of the preceding Session.

The Clerk proceeded to read the Journal of the preceding Session, when, on motion of Senator NOLAN, further reading was dispensed with, and the Journal was approved.

LEAVES OF ABSENCE

Senator NOLAN asked and obtained leaves of absence for Senators CIANFRANI and ZEMPRELLI.

COMMUNICATIONS FROM THE GOVERNOR

APPROVAL OF SENATE BILLS

The Secretary to the Governor being introduced, pre-

sented communications in writing from His Excellency, the Governor, advising that the following Senate Bills had been approved and signed by the Governor:

SB 1282 and 1284.

NOMINATIONS BY THE GOVERNOR REFERRED TO COMMITTEE

He also presented communications in writing from His Excellency, the Governor of the Commonwealth, which were read as follows, and referred to the Committee on Rules and Executive Nominations:

MEMBER OF THE ADAMS COUNTY BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Ms. Mary C. Furlong (Democrat), McSherrystown, 17344 Adams County, Thirty-third Senatorial District, for re-appointment as a member of the Adams County Board of Assistance, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE ALLEGHENY COUNTY BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the Allegheny County Board of Assistance:

Miss Thelma E. Rodgers (Democrat), 720 Anaheim Street, Pittsburgh 15219, Allegheny County, Forty-third Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

Miss Cecile Springer (Democrat), 5665 Bartlett Street, Pittsburgh 15217, Allegheny County, Forty-third Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

Paul Stackhouse, Jr. (Democrat), 111 Preston Drive, North Braddock 15104, Allegheny County, Forty-fifth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE BEDFORD COUNTY BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate

the following for reappointment as members of the Bedford County Board of Assistance:

Mrs. Vivian V. Snyder (Democrat), R. D. 1, Box 70, Mann's Choice 15550, Bedford County, Thirtieth Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

William Carroll Wakefield (Democrat), 712 South Juliano Street, Bedford 15522, Bedford County, Thirtieth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE BERKS COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the Berks County Board of Assistance:

Mrs. Mazie Bartlett (Democrat), 440 Miltimore Street, Reading 19604, Berks County, Eleventh Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

Mrs. Esther C. Blatt (Republican), R. D. 1, Leesport 19533, Berks County, Eleventh Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE BLAIR COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the Blair County Board of Assistance:

Charles R. Gority (Democrat), 724-5th Avenue, Juniata, Altoona 16601, Blair County, Thirtieth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

Aldo Serafini (Democrat), 2B Cedar Street, Hollidaysburg 16648, Blair County, Thirtieth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

Mrs. Helen Sill (Democrat), 514 Pleasant Valley Boulevard, Altoona, 16602 Blair County, Thirtieth Senatorial District, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBER OF THE BRADFORD COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Richard Hill (Republican), R. D. 2, Athens 18810, Bradford County, Twenty-third Senatorial District, for reappointment as a member of the Bradford County Board of Assistance, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBER OF THE BUCKS COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Pasquale R. Tanzillo (Democrat), 213 Harrison Avenue, Morrisville 19067, Bucks County, Tenth Senatorial District, for reappointment as a member of the Bucks County Board of Assistance, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBER OF THE BUTLER COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Fred Y. Bennett (Republican), 270 Oak Hills, Butler 16001, Butler County, Twenty-first Senatorial District, for reappointment as a member of the Butler County Board of Assistance, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE CAMBRIA COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the Cambria County Board of Assistance:

Frank Kulish (Democrat), 521 West Horner Street, Ebensburg 15931, Cambria County, Thirty-fifth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

Bernard Lurye (Democrat), 206 Diamond Boulevard, Johnstown 15905, Cambria County, Thirty-fifth Senatorial District, to serve until December 31, 1978, and until his successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBER OF THE CAMERON COUNTY
BOARD OF ASSISTANCE

March 26, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Mrs. Kathryn Wenzel (Democrat), 121½ West Fifth Street, Emporium 15834, Cameron County, Thirty-fourth Senatorial District, for reappointment as a member of the Cameron County Board of Assistance, to serve until December 31, 1978, and until her successor is duly appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE ADVISORY HEALTH BOARD

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for appointment as members of the Advisory Health Board:

Joseph Greco, M.D., 300 South Hickory Street, Mount Carmel 17851, Northumberland County, (Reappointment),

Twenty-seventh Senatorial District, to serve until the third Tuesday of January 1980, and until his successor is appointed and qualified.

Ms. Sharon March (Public Member), 203 South Potomac Street, Waynesboro 17268, Franklin County, (Reappointment), Thirty-third Senatorial District, to serve until the third Tuesday of January 1980, and until her successor is appointed and qualified.

David A. Soricelli, D.D.S., 608-620 West Phil-Ellena Street, Philadelphia 19119, Philadelphia County, Thirty-sixth Senatorial District, to serve until the third Tuesday of January 1980, and until his successor is appointed and qualified, vice Benedict Kimmelman, D.D.S., Philadelphia, resigned.

MILTON J. SHAPP

MEMBERS OF THE STATE ATHLETIC
COMMISSION

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the State Athletic Commission:

Joseph L. Cimino, 1234 Love Street, Pittsburgh 15218, Allegheny County, Forty-third Senatorial District, to serve until December 31, 1977, and until his successor shall have been appointed and qualified.

Manny Gelb, 925 Monroe Avenue, Scranton 18510, Lackawanna County, Twenty-second Senatorial District, to serve until December 31, 1977, and until his successor shall have been appointed and qualified.

Howard McCall, 1415 Corlies Street, Philadelphia 19121, Philadelphia County, Second Senatorial District, to serve until December 31, 1977, and until his successor shall have been appointed and qualified.

MILTON J. SHAPP

MEMBER OF THE STATE BOARD OF
AUCTIONEER EXAMINERS

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Mark W. Kistler, 753 Lawrence Drive, Emmaus 18049, Lehigh County, Sixteenth Senatorial District, as a member of the State Board of Auctioneer Examiners, to serve until December 31, 1976, and until his successor is appointed and qualified, vice John Freeman, Eagleville, resigned.

MILTON J. SHAPP

MEMBER OF THE STATE BOARD OF COSMETOLOGY

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Louis J. Aquilino, 515 First Street, Canonsburg 15317, Washington County, Forty-sixth Senatorial District, for reappointment as a member of the State Board of Cosmetology, to serve until the third Tuesday of January 1979, and until his successor shall have been appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE BOARD OF TRUSTEES OF
HAZLETON STATE GENERAL HOSPITAL

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for appointment as members of the Board of Trustees of Hazleton State General Hospital:

Israel T. Klapper, Esquire, 19 West Acacia Street, Hazleton 18201, Luzerne County, Fourteenth Senatorial District, to serve until the third Tuesday of January 1981, and until his successor is appointed and qualified, vice Lawrence R. Cooney, Hazleton, resigned.

Nicholas Sedon, 559 West Maple Street, Hazleton 18201, Luzerne County, Fourteenth Senatorial District, to serve until the third Tuesday of January 1981, and until his successor is appointed and qualified, vice The Very Rev. Monsig. Francis S. Mussari, Hazleton, resigned.

MILTON J. SHAPP

PENNSYLVANIA MINORITY BUSINESS
DEVELOPMENT AUTHORITY

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate Paul D. Nelson, 1814 Swissvale Avenue, Pittsburgh 15221, Allegheny County, Thirty-eighth Senatorial District, for appointment as a member of the Pennsylvania Minority Business Development Authority, to serve until June 2, 1977, and until his successor shall be duly appointed and qualified, vice Forrest L. Parr, Pittsburgh, deceased.

MILTON J. SHAPP

MEMBERS OF THE PENNSYLVANIA BOARD OF
PSYCHOLOGIST EXAMINERS

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following for reappointment as members of the Pennsylvania Board of Psychologist Examiners:

Dr. Isadore Krasno (Practitioner), 6 Meadowbrook Court, Wilkes-Barre 18702, Luzerne County, Fourteenth Senatorial District, to serve until December 24, 1978, and until his successor is appointed and qualified.

Dr. Leon Gorlow (Advocacy Group), 622 Franklin Street, State College 16801, Centre County, Thirty-fourth Senatorial District, to serve until December 24, 1978, and until his successor is appointed and qualified.

MILTON J. SHAPP

MEMBERS OF THE PUBLIC SCHOOL EMPLOYEES'
RETIREMENT BOARD

March 29, 1976

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate the following as members of the Public School Employees' Retirement Board, pursuant to Act 96, approved October 2, 1975:

John D. Killian, Esquire, 3737 Maple Street, Harrisburg 17109, Dauphin County, Fifteenth Senatorial District, to serve until January 1, 1977.

William Francis Jacobs, Jr., Esquire, Apartment 101, 5619 Kentucky Avenue, Pittsburgh 15232, Allegheny County, Thirty-eighth Senatorial District, to serve until January 1, 1979.

MILTON J. SHAPP

HOUSE MESSAGES

HOUSE BILLS FOR CONCURRENCE

The Clerk of the House of Representatives being intro-

duced, presented for concurrence **HB 1310**, which was referred to the Committee on Business and Commerce.

He also presented for concurrence **HB 1883**, which was referred to the Committee on Insurance.

He also presented for concurrence **HB 567**, which was referred to the Committee on Law and Justice.

He also presented for concurrence **HB 333**, which was referred to the Committee on Local Government.

He also presented for concurrence **HB 1196**, which was referred to the Committee on State Government.

He also presented for concurrence **HB 1817** and **2050**, which were referred to the Committee on Transportation.

SENATE BILLS RETURNED WITH AMENDMENTS

He also returned to the Senate **SB 355** and **883**, with the information that the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT pro tempore. The bills, as amended, will be placed on the Calendar.

HOUSE CONCURS IN SENATE CONCURRENT RESOLUTION

He also informed the Senate that the House has concurred in Senate Concurrent Resolution, **Serial No. 224**, entitled:

Extending appreciation to members of the Joint State Government Commission Advisory Committee on decedents' estates laws.

BILLS SIGNED

The President pro tempore (Martin L. Murray) in the presence of the Senate signed the following bills:

HB 749, 807 and 826.

GUESTS OF SENATOR MICHAEL A. O'PAKE PRESENTED TO SENATE

Senator O'PAKE. Mr. President, there are, in the gallery, two groups of citizens from Berks County who are here today observing the legislative process. One is a group participating in the Learning Enrichment Program of the Berks County Intermediate Unit. They are fifteen eighth graders with their teacher, Ruth Miller. The other group is a group of Berks Countians who are here participating in the Regional Public Affairs Leadership Program, State Government Seminar, and I would appreciate if the Chair would extend its usual warm welcome to these groups who are in the gallery.

The PRESIDENT pro tempore. We are delighted to have the guests of the gentleman from Berks, Senator O'Pake, here today. If Senator O'Pake's guests will kindly rise, the Senate will extend you a warm welcome. (Applause.)

GUESTS OF SENATOR WILLIAM J. MOORE PRESENTED TO SENATE

Senator MOORE. Mr. President, I am pleased to have a visiting group from Fairfield Municipal Authority in Adams County here today. They are in the gallery and I would request our customary warm welcome for Mr. Newman, Mr. Adams and Mr. Taylor.

The PRESIDENT pro tempore. If the guests of the gentleman from Perry, Senator Moore, will kindly rise, the Senate will also extend them a warm welcome. (Applause.)

GUESTS OF SENATOR HENRY C. MESSINGER PRESENTED TO SENATE

Senator MESSINGER. Mr. President, in the gallery is a group of students from England. The group consists of eleven boys and one girl, all from an English boarding school. They are here in this country as part of a program in which they have an opportunity to study and view firsthand our political systems at the local, State and Federal levels. Their ages are from sixteen to eighteen and with them are Adrian Garrie and Simon Wilkinson, instructors from their school.

Part of the trip includes a two-week stay in Allentown under the sponsorship of the Junior Section of the Allentown Woman's Club and with them today from the Allentown club are Barbara Kerr, Nancy Orr, Laura McGary and Chris Burfeind. I certainly hope that we would extend to these students, visiting us from England, a warm welcome.

The PRESIDENT pro tempore. On behalf of Senator Messinger and the Senate of Pennsylvania, we extend a very warm welcome to our guests from England and their hosts. If they would kindly stand, we will also give them a round of applause.

(Applause.)

REPORT FROM COMMITTEE

Senator KELLEY, from the Committee on Law and Justice, reported, as committed, **SB 516**.

BILLS INTRODUCED AND REFERRED

Senator REIBMAN presented to the Chair **SB 1421**, entitled:

An Act amending the act of July 18, 1974 (P. L. 483, No. 174), entitled "The Institutional Assistance Grants Act," further clarifying grants.

Which was committed to the Committee on Education.

She also presented to the Chair **SB 1422**, entitled:

An Act amending the act of May 21, 1943 (P. L. 571, No. 254), entitled, as amended, "The Fourth to Eighth Class County Assessment Law," providing for the assessment of certain realty and vesting title to assessed real estate in the county under certain circumstances.

Which was committed to the Committee on Local Government.

Senator MYERS presented to the Chair **SB 1423**, entitled:

An Act amending the act of July 20, 1917 (P. L. 1158, No. 401), entitled "Constable Fee Law," further providing for fees for constables.

Which was committed to the Committee on Judiciary.

Senators JUBELIRER, FRAME, DOUGHERTY, COPPERSMITH, BELL, SNYDER, FLEMING, O'PAKE, TILGHMAN, HESS, ANDREWS, WOOD, LEWIS, SWEE-NEY, STAUFFER and HAGER presented to the Chair **SB 1424**, entitled:

A Supplement to the act of June 30, 1975 (No. 8-A), entitled "General Appropriation Act of 1975," providing for a deficiency in an appropriation to the Department of Public Welfare for medical assistance payments to qualified patients in private nursing homes.

Which was committed to the Committee on Appropriations.

Senators NOLAN, CIANFRANI, MESSINGER, AMMERMAN, HILL, SWEENEY, STAPLETON, ROMANELLI, KELLEY, MURRAY, COPPERSMITH, SMITH, LYNCH, WOOD, FLEMING, DOUGHERTY and MYERS presented to the Chair **SB 1425**, entitled:

An Act fixing annual license and other fees for activities regulated by the several departments, boards and commissions of the Executive Branch of the State Government.

Which was committed to the Committee on State Government.

Senators SWEENEY, NOLAN, CIANFRANI, MURRAY and LYNCH presented to the Chair **SB 1426**, entitled:

An Act amending the act of January 22, 1968 (P. L. 27, No. 7), entitled "The Pennsylvania Transportation Assistance Authority Act of 1967," prohibiting the payment of money to certain authorities.

Which was committed to the Committee on Transportation.

Senators SWEENEY and LEWIS presented to the Chair **SB 1427**, entitled:

An Act amending the act of June 24, 1931 (P. L. 1206, No. 331), entitled "The First Class Township Code," requiring a referendum for capital expenditures over a certain amount.

Which was committed to the Committee on Local Government.

Senator HOLL presented to the Chair **SB 1428**, entitled:

An Act relating to the expiration, continuation or re-enactment of boards, commissions and agencies.

Which was committed to the Committee on State Government.

Senator CIANFRANI presented to the Chair **SB 1429**, entitled:

An Act amending the act of August 23, 1967 (P. L. 251, No. 102), entitled, as amended, "Industrial and Commercial Development Authority Law," further providing for certain exemptions from taxation.

Which was committed to the Committee on Appropriations.

SENATE CONCURRENT RESOLUTION

WEEKLY ADJOURNMENT

Senator NOLAN offered the following resolution, which was read, considered and adopted:

In the Senate, March 29, 1976.

RESOLVED, (the House of Representatives concurring), That when the Senate adjourns this week it reconvene on Monday, April 5, 1976 and when the House of Representatives adjourns this week it reconvene on Monday, April 5, 1976.

Ordered, That the Clerk present the same to the House of Representatives for concurrence.

RECESS

Senator NOLAN. Mr. President, I request a recess of the Senate until 4:30 p.m., for the purpose of holding a Democratic caucus and a Republican caucus.

The PRESIDENT pro tempore. Are there any objections? The Chair hears no objection, and declares a recess of the Senate until 4:30 p.m., Eastern Standard Time.

AFTER RECESS

The PRESIDENT (Lieutenant Governor Ernest P. Kline) in the Chair.

The PRESIDENT. The time of recess having elapsed, the Senate will be in order.

CALENDAR

REPORTS OF COMMITTEES OF CONFERENCE

BILLS OVER IN ORDER

SB 669 and **707**—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

FINAL PASSAGE CALENDAR

RECONSIDERATION OF SB 867

BILL ON THIRD CONSIDERATION AMENDED

SB 867 (Pr. No. 947)—Senator ORLANDO. Mr. President, I move to reconsider the vote by which the bill passed on third consideration.

The motion was agreed to.

And the question recurring,

Will the Senate agree to the bill on third consideration? Senator ORLANDO, by unanimous consent, offered the following amendments:

Amend Sec. 1 (Sec. 602), page 2, lines 5 and 6, by striking out "one hundred dollars (\$100)" and inserting: fifty dollars (\$50)

Amend Sec. 1 (Sec. 602), page 2, line 16, by striking out "one hundred dollar (\$100)" and inserting: fifty dollar (\$50)

Amend Sec. 1 (Sec. 602), page 2, line 30, by striking out "one hundred dollars (\$100)" and inserting: fifty dollars (\$50)

Amend Sec. 1 (Sec. 602), page 3, line 11, by striking out "one hundred dollars (\$100)" and inserting: fifty dollars (\$50)

Amend Sec. 1 (Sec. 602), page 4, lines 6 and 7, by striking out "one hundred dollars (\$100)" and inserting: fifty dollars (\$50)

Amend Sec. 1 (Sec. 602), page 5, lines 11 and 12, by striking out "one hundred dollars (\$100)" and inserting: fifty dollars (\$50)

Amend Sec. 2 (Sec. 602), page 5, line 18, by striking out "one hundred dollar (\$100)" and inserting: fifty dollar (\$50)

Amend Sec. 2 (Sec. 602), page 5, line 19, by striking out "1975" and inserting: 1976

Amend Sec. 2 (Sec. 602), page 5, line 20, by striking out "1975" and inserting: 1976

Amend Sec. 3, page 5, line 22, by striking out "1975" and inserting: 1976

On the question,

Will the Senate agree to the amendments?

They were agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator ORLANDO.

THIRD CONSIDERATION CALENDAR

BILL ON THIRD CONSIDERATION AMENDED

HB 175 (Pr. No. 2911)—Considered the third time,

On the question,

Will the Senate agree to the bill on third consideration?

Senator JUBELIRER, by unanimous consent, offered the following amendment:

Amend Sec. 1 (Sec. 906-A), page 11, lines 19 through 22, by striking out "NOTHING" in line 19, all of lines 20 through 22 and inserting: Whenever the Consumer Advocate shall bring an action upon petition of a substantial number of persons or in the name of a consumer or group of consumers, any consumer represented therein shall have waived the right to initiate or intervene in that proceeding.

On the question,

Will the Senate agree to the amendment?

Senator JUBELIRER. Mr. President, the purpose of the amendment to House Bill No. 175 is to prevent duplication and to keep the activity of the consumer advocate's office and the Public Utility Commission in an orderly fashion.

Mr. President, the amendment sets forth that whenever the consumer advocate shall bring an action upon petition of either a substantial number of persons or in the name of a consumer, or group of consumers, any consumer represented therein shall have waived the right to initiate or intervene in that proceeding. In effect, Mr. President, the amendment sets forth that if you use the consumer advocate and if this bill would pass, Mr. President—I think that most people would do that—and you would happen to lose, the Commission would not rule in your favor or in a way contrary to what you think, you cannot come back again as an individual and use the PUC to further your position.

We think this is a sound amendment, Mr. President, that will bring order and, hopefully, will avoid a potential chaotic situation.

I would respectfully request a "yes" vote on this amendment, Mr. President, and would ask for a roll call vote.

And the question recurring,

Will the Senate agree to the amendment?

(During the calling of the roll, the following occurred:)

Senator HILL. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The gentleman will be so recorded.

Senator COPPERSMITH. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The gentleman will be so recorded.

Senator AMMERMAN. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The gentleman will be so recorded.

Senator ORLANDO. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The gentleman will be so recorded. Senator REIBMAN. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The lady will be so recorded.

Senator HANKINS. Mr. President, I would like to change my vote from "no" to "aye."

The PRESIDENT. The gentleman will be so recorded.

The yeas and nays were required by Senator JUBELIRER and were as follows, viz:

YEAS—34

Ammerman,	Hankins,	Lewis,	Reibman,
Bell,	Hess,	Manbeck,	Romanelli,
Coppersmith,	Hill,	McKinney,	Ross,
Dwyer,	Hobbs,	Moore,	Snyder,
Early,	Holl,	Myers,	Stapleton,
Ewing,	Howard,	Nolan,	Sweeney,
Fleming,	Jubelirer,	O'Pake,	Tilghman,
Frame,	Kelley,	Orlando,	Wood,
Hager,	Lentz,		

NAYS—11

Andrews,	Duffield,	Mellow,	Scanlon,
Arlene,	Kury,	Messinger,	Smith,
Dougherty,	Lynch,	Murray	

So the question was determined in the affirmative, and the amendment was agreed to.

On the question,

Will the Senate agree to the bill on third consideration, as amended?

Senator MCKINNEY, by unanimous consent, offered the following amendment:

Amend Sec. 1 (Sec. 902-A), page 8, lines 14 and 15, by striking out "ATTORNEY GENERAL WITH THE APPROVAL OF THE GOVERNOR." and inserting: Governor, by and with the advice and consent of two-thirds of the members elected to the Senate.

On the question,

Will the Senate agree to the amendment?

Senator MCKINNEY. Mr. President, I think this amendment is equally as important as the amendment we passed a couple weeks ago, whereby we voted a two-thirds majority of the Senate would be necessary to approve the executive director of the PUC. I think this bill is equally as important. I think it is just as important as a solicitor would be to any county or city municipal government; it is equally as important as a solicitor would be to the Attorney General of the United States or Supreme Court of the United States.

Mr. President, I do not mean to sound like a lawyer by mentioning all these solicitors. God knows I have nothing against lawyers; my best friend is a lawyer. I certainly hope that the lawyers in this Chamber on both sides of the aisle will vote for this amendment.

Now that I have said that, Mr. President, in conclusion, without being remiss, at some other time and place like an AMA convention, I would like to tell the doctors how I feel about them. To my good friend, Dr. Orlando, who happens to be the only doctor in the Senate, I hope he also will vote for this amendment.

And the question recurring,

Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed

over in its order at the request of Senators JUBELIRER and McKINNEY.

BILL OVER IN ORDER

HB 314—Without objection, the bill was passed over in its order at the request of Senator NOLAN.

BILL RECOMMITTED

SB 456 (Pr. No. 1677)—Upon motion of Senator NOLAN, and agreed to, the bill was recommitted to the Committee on State Government.

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 636 (Pr. No. 1699)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman, Andrews, Arlene, Bell, Coppersmith, Dougherty, Duffield, Dwyer, Early, Ewing, Fleming, Frame, Hager, Hankins, Hess, Hill, Hobbs, Holl, Howard, Jubelirer, Kelley, Kury, Lentz, Lewis, Lynch, Manbeck, McKinney, Mellow, Messinger, Moore, Murray, Myers, Nolan, O'Pake, Orlando, Reibman, Romanelli, Ross, Scanlon, Smith, Snyder, Stapleton, Sweeney, Tilghman, Wood

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

SB 637 (Pr. No. 1700)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman, Andrews, Arlene, Bell, Coppersmith, Duffield, Dwyer, Early, Ewing, Fleming, Frame, Hager, Hankins, Hess, Hill, Hobbs, Holl, Howard, Jubelirer, Kelley, Kury, Lentz, Lewis, Lynch, Manbeck, McKinney, Mellow, Messinger, Moore, Murray, Myers, Nolan, O'Pake, Orlando, Reibman, Romanelli, Ross, Scanlon, Smith, Snyder, Stapleton, Sweeney, Tilghman, Wood

NAYS—0

A constitutional majority of all the Senators having

voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

HB 646 (Pr. No. 2865)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman, Andrews, Arlene, Bell, Coppersmith, Dougherty, Duffield, Dwyer, Early, Ewing, Fleming, Frame, Hager, Hankins, Hess, Hill, Hobbs, Holl, Howard, Jubelirer, Kelley, Kury, Lentz, Lewis, Lynch, Manbeck, McKinney, Mellow, Messinger, Moore, Murray, Myers, Nolan, O'Pake, Orlando, Reibman, Romanelli, Ross, Scanlon, Smith, Snyder, Stapleton, Sweeney, Tilghman, Wood

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

BILL RECOMMITTED

HB 649 (Pr. No. 2631)—Upon motion of Senator NOLAN, and agreed to, the bill was recommitted to the Committee on Insurance.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 650 (Pr. No. 2234)—Considered the third time and agreed to,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman, Andrews, Arlene, Bell, Coppersmith, Dougherty, Duffield, Dwyer, Early, Ewing, Fleming, Frame, Hager, Hankins, Hess, Hill, Hobbs, Holl, Howard, Jubelirer, Kelley, Kury, Lentz, Lewis, Lynch, Manbeck, McKinney, Mellow, Messinger, Moore, Murray, Myers, Nolan, O'Pake, Orlando, Reibman, Romanelli, Ross, Scanlon, Smith, Snyder, Stapleton, Sweeney, Tilghman, Wood

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

BILL OVER IN ORDER

SB 712—Without objection, the bill was passed over in its order at the request of Senator NOLAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 1181 (Pr. No. 1762)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman,	Fager,	Lewis,	Orlando,
Andrews,	Hankins,	Lynch,	Reibman,
Arlene,	Hess,	Manbeck,	Romanelli,
Bell,	Hill,	McKinney,	Ross,
Coppersmith,	Hobbs,	Mellow,	Scanlon,
Dougherty,	Holl,	Messinger,	Smith,
Duffield,	Howard,	Moore,	Snyder,
Dwyer,	Jubelirer,	Murray,	Stapleton,
Early,	Kelley,	Myers,	Sweeney,
Ewing,	Kury,	Nolan,	Tilghman,
Fleming,	Lentz,	O'Pake,	Wood,
Frame,			

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

BILL ON THIRD CONSIDERATION,
DEFEATED ON FINAL PASSAGE

SB 1222 (Pr. No. 1459)—Considered the third time,

On the question,
Will the Senate agree to the bill on third consideration?

Senator JUBELIRER, by unanimous consent, offered the following amendments:

Amend Title, page 2, line 16, by inserting after "providing": for the establishment of certain rates and

Amend Bill, page 2, by inserting between lines 19 and 20:

Section 1. Subsection (a) of section 307 and subsection (d) of section 310, act of May 28, 1937 (P. L. 1053, No. 286), known as the "Public Utility Law" are amended to read:

Section 307. Sliding Scale of Rates.—(a) Any public utility, except a common carrier, may establish a sliding scale of rates or such other method for the automatic adjustment of the rates of the public utility as shall provide a just and reasonable return based on the [fair value] original cost minus depreciation of the property used and useful in the public service, to be determined upon such equitable or reasonable basis as shall provide such fair return: Provided, That a tariff showing the scale of rates under such arrangement is first filed with the commission, and such tariff, and each rate set out therein, approved by it. The commission may revoke its

approval at any time and fix other rates for any such public utility if, after notice and hearing, the commission finds the existing rates unjust or unreasonable.

* * *

Section 310. Temporary Rates.— * * *

(d) Whenever the commission, upon examination of any annual or other report, or of any papers, records, books, or documents, or of the property of any public utility, shall be of opinion that any rates of such public utility are producing a return in excess of a fair return upon the [fair value] original cost minus depreciation of the property of such public utility, used and useful in its public service, the commission may, by order, prescribe for a trial period of at least six months, which trial period may be extended for one additional period of six months, such temporary rates to be observed by such public utility as, in the opinion of the commission, will produce a fair return upon [such fair value] the valuation based on original cost minus depreciation, and the rates so prescribed shall become effective upon the date specified in the order of the commission. Such rates, so prescribed, shall become permanent at the end of such trial period, or extension thereof, unless at any time during such trial period, or extension thereof, the public utility involved shall complain to the commission that the rates so prescribed are unjust or unreasonable. Upon such complaint, the commission, after hearing, shall determine the issues involved, and pending final determination the rates so prescribed shall remain in effect.

* * *

Amend Sec. 1, page 2, line 20, by striking out "1." and inserting: 2.

Amend Sec. 1, page 2, line 20, by inserting after "311": of the

Amend Sec. 1, page 2, lines 20 and 21, by striking out "of May 28, 1937 (P. L. 1053, No. 286), known as the "Public Utility Law,"

On the question,
Will the Senate agree to the amendments?

Senator JUBELIRER. Mr. President, there are three sections of the Public Utility Law which provide for the fair value valuation of utility plant. Senate Bill No. 1222 only deals with one of those sections. The purpose of these amendments, Mr. President, is, in effect, technical deficiencies which go a long way to having an effect on the bill itself.

Section 311 of the Public Utility Law provides for the fair value valuation of the property of a public utility. This is the authority the Public Utility Commission uses in establishing the rate base in a request for a rate increase. This section is the only section currently amended by Senate Bill No. 1222.

Section 307 of the Public Utility Law provides the Public Utility Commission with authority to permit the establishment of sliding scales of rates such as the present fuel adjustment clause. In ascertaining what are proper expenses under the fuel adjustment clause, the statute states that the Public Utility Commission shall consider the fair return on the fair value of the utility's property. The bill does not change this section. Thus, if this bill would pass in its current form, the Public Utility Commission would be required to use original cost in rate cases, but use fair value in dealing with the fuel adjustment clause. Because fair value results in a higher rate base than the original cost, Senate Bill No. 1222 is legislating higher revenues to be recovered through the fuel adjustment clause than will be recovered through general rate revenues.

Mr. President, Section 310 of the Public Utility Law permits the Public Utility Commission to set temporary rates, regardless of any rate increase request, whenever the Public Utility Commission is of the opinion that the rates being collected by the utility are unjust or unreasonable and do not conform to the law. In setting temporary rates, Mr. President, the Public Utility Commission is to use the fair return upon the fair value of utility property. The bill does not amend this section, Mr. President. Thus, the Public Utility Commission may exercise its broad authority and will be permitted to set temporary rates which may be of indefinite duration on the basis of fair value even though, if Senate Bill No. 1222 passes, it will be required to use original cost on general rate requests.

The overall effect of Senate Bill No. 1222 will be to create chaos by utilizing different methods of valuation for different rates, i.e., original cost for rate requests, and fair value for fuel adjustment clause revenues and temporary rates.

Whether or not someone agrees with the concept of original cost, everyone surely must agree that the bill should be technically accurate, the bill should not discriminate among various rates the Public Utility Commission may establish. To pass the bill in its present form can only create confusion for the consumer, the regulated, and the regulator. Without the necessary amendments the bill may cause higher rates in the most sensitive rate areas other than general rate increase.

In effect, Mr. President, we should pass and put in these amendments in order to keep the things streamlined, to be consistent and not create chaos.

I respectfully request a "yes" vote on the amendments and would ask for a roll call vote.

Senator COPPERSMITH. Mr. President, I listened with very great interest to the remarks made by the gentleman from Blair, Senator Jubelirer, on this question in presenting amendments on the tenth day.

Mr. President, I desire to interrogate the gentleman from Blair, Senator Jubelirer, before I continue with my remarks.

The PRESIDENT. Will the gentleman from Blair, Senator Jubelirer, permit himself to be interrogated?

Senator JUBELIRER. I will, Mr. President.

Senator COPPERSMITH. Mr. President, if the amendments of the gentleman are adopted, would he support a suspension of the Senate Rules so that this bill would not be returned to committee, but that we could then vote on the amended bill which is technically correct as the gentleman claims these amendments would achieve this technical correction?

Senator JUBELIRER. Mr. President, I think it is vitally important, as I made the motion last week, to recommit this particular bill so that the Committee on Consumer Affairs give more attention to this specific piece of legislation. The Committee on Consumer Affairs spent some nine months studying the reform of the PUC Law. The committee, I might say, worked extremely well together from both sides of the aisle. We had excellent cooperation from our staff and from our witnesses.

However, that was an entire Public Utility Commission reform. Most of those bills, in fact, nearly all of those bills, are now passed the Senate and over in the House of Representatives. This is a very technical matter that, in my opinion, still needs important consideration. It is still

my opinion, Mr. President, that this bill should be back in committee, that we should hold an additional public hearing or hearings on this specific legislation to focus in on it, to concentrate more on what this bill does, because I am sure that many of my colleagues are not necessarily familiar with all of the parts of this bill. It is highly technical. They would then have an opportunity to hear some of these technical people give their opinion on what the absolute ramifications in this bill would be.

Mr. President, the final answer to the gentleman's question is "no."

Senator COPPERSMITH. Mr. President, I admire the gentleman for his brevity.

To continue with my remarks, on the tenth day, the rather highly technical amendments are presented, and now I am shocked to hear the gentleman say that this would affect the determination of the fuel adjustment clause.

For years now we have been hearing the utilities tell us that the only thing that is passed on to the consumer is the increase in the cost of fuel, that it is clear-cut; that there is no rip-off, there is no fat, there is no extra charge. Now, lo and behold, on the tenth day when amendments are being offered to this bill, which the utilities are fighting tooth and nail, we hear that the rate base affects the fuel adjustment surcharge.

I, for one, after all this long period of time, tend to look rather suspiciously at complicated amendments which are presented on the tenth day of a bill on this floor. I have been appalled, really, by the strong opposition to the whole concept of shifting from fair value to original cost. Every major corporation in this country, other than utilities, uses original cost. There is nothing wrong with using original cost. You can compare the operations of one corporation with another, one utility with another. Thirty-five states in these United States use original cost.

All of a sudden we hear that it is going to be the end of the world, that they cannot get financing, they cannot do this, they cannot do that if we shift from fair value to original cost.

The PRESIDENT. Will the gentleman yield?

PARLIAMENTARY INQUIRY

Senator JUBELIRER. Mr. President, I rise to a question of parliamentary inquiry.

The PRESIDENT. The gentleman from Blair, Senator Jubelirer, will state it.

Senator JUBELIRER. Mr. President, it is my understanding that we are debating the amendments and not the bill itself. My question is, whether the gentleman from Cambria, Senator CopperSmith, is in order by debating the merits of the bill?

The PRESIDENT. Senator CopperSmith, Senator Jubelirer brings up an interesting point. I am sure that you know that your debate must be limited to the content of the amendments.

Senator COPPERSMITH. Mr. President, with all due deference, in his remarks and in his answer to my question, the gentleman from Blair, Senator Jubelirer, was referring to the difference in accounting procedure between the different sections if Senate Bill No. 1222 were adopted in its present form. My remarks were dealing with the accounting procedures involved in original cost, and fair value. I do not see how we can divide it up. I

am directing my remarks to fair value and original cost which is what the gentleman did.

The PRESIDENT. And you are doing well, Senator.

Senator COPPERSMITH. Mr. President, to continue: My whole point is, this is a concept that has to be voted up or down. Surely we in the Senate should face up to our responsibility to vote "yes" or "no." We will have the whole month of April to have it reviewed in the House of Representatives. If there are technical changes that need to be made, I am sure the House will make them and the bill can be put in proper technical form.

However, there have been all kinds of devices to avoid a direct "yes" or "no" vote on this, to recommit, to amend on the tenth day to put it back into committee, and I think we in the Senate ought to face up to our responsibilities, debate this matter and vote the bill up or down and forget the various parliamentary maneuvers.

Senator KURY. Mr. President, I yield to the gentleman from Blair, Senator Jubelirer.

The PRESIDENT. The Chair recognizes Senator Jubelirer. I am just following the Senate Rules, Senator Kury, which provide that no Member should be recognized two times until all the other Members have spoken once.

Senator Jubelirer.

Senator JUBELIRER. Mr. President, I thank the gentleman from Northumberland. I certainly was impressed by the remarks from my neighbor and colleague from Cambria County, Senator Coppersmith. It is interesting to me when the gentleman talks about two abrogations: One, our duty to do what we ought to do in this Body and let that go to the House and, second, that we ought not to use the parliamentary procedure that is available to every Member of this Body. I have sat here for some fourteen months now and have admired the skill of the gentleman from Cambria, Senator Coppersmith, as he has used very well in the past parliamentary procedures to present the point which he was trying to make. I would only hope that he would allow me the same privilege as a freshman Member of this Body who certainly looks up to his skills.

Mr. President, I further noted that the gentleman referred to the fact that the rate base was involved with the fuel adjustment cost. That was not the point I was trying to make. The point I am trying to make is that the committee has not addressed itself completely to the rate base. If there is to be a change from fair value to original cost then all points and all parts of the bill should be consistent. This is not done by including Section 307, which deals with the fuel adjustment clause and could have disastrous results.

Again, Mr. President, I am not prepared to abrogate my duty to the House. I think that is our responsibility here in the Senate. Many hours have been spent by me, and I am sure many of my colleagues, studying this bill. The purpose of this was not to delay the bill at this time but rather we have, in studying the bill, for the first time recognized deficiencies therein. I would expect that we should send this bill to the House in as good a condition as possible. I also think, as I have said before, that the bill does lack some study and needs some further study and again, I would respectfully request that the amendments be adopted, as I have set forth before.

Senator KURY. Mr. President, I join with my colleague from Cambria, Senator Coppersmith, in opposing these amendments. While I respect the right of the gentleman from Blair, Senator Jubelirer, to use parliamen-

tary techniques to send this bill back to committee, I think that would be a mistake at this time.

Mr. President, this bill was in the proper form to be passed by this Senate tonight. It amends the section we want to amend, which is the section dealing with the rate base. The fuel adjustment charge that he referred to is an operating expense and that is not value based on reproduction value or depreciation value or anything else. I do not think that is really relevant to what we are doing here tonight.

Mr. President, our committee spent nine months studying this problem. We had considerable testimony from many witnesses on the rate base question and I think at this late date, on the final hour of the final day, these amendments are just—with all due respect—amendments to send the bill back to committee.

Mr. President, I agree with the gentleman from Cambria, Senator Coppersmith. Let us deal with this question on its face, directly up or down, and let us defeat the amendments and pass the bill.

Senator FLEMING. Mr. President, is it possible for a nonlawyer to get into this debate?

The PRESIDENT. You can be sure the Chair will cast its weight on your side, Senator. You may proceed.

Senator FLEMING. Thank you, Mr. President. I had hoped that might have a tender reception.

Senator FLEMING. Mr. President, I desire to interrogate the gentleman from Northumberland, Senator Kury.

The PRESIDENT. Will the gentleman from Northumberland, Senator Kury, permit himself to be interrogated?

Senator KURY. I will, Mr. President.

Senator FLEMING. Mr. President, let us assume that, as the gentleman states, we ignore the whole question of the matter of one of these sections to which he takes issue in the amendments of the gentleman from Blair, Senator Jubelirer. Suppose we ignore the fuel adjustment part of this and suppose we deal solely with Section 310, which concerns itself with the temporary rate. Now, would the gentleman agree, Mr. President, that temporary rates sometimes are in effect over a lengthy period of time while a determination is made?

Senator KURY. Well, Mr. President, under the existing law that is true.

Senator FLEMING. Mr. President, I am glad that the gentleman agrees to that.

Mr. President, would the gentleman also agree that if we totally ignore any consideration of the proposed amendments here in the promulgation of temporary rates, that we have, to say the least, ignored a very substantial part of the rate structure, or calculation, that eventually will become the permanent rate structure?

Senator KURY. Well, Mr. President, that is true if the only bill in the package were Senate Bill No. 1222, but I would point out to the gentleman that the question of so-called temporary rates is dealt with extensively in other legislation which we sent to the other Body last week.

Senator FLEMING. Mr. President, that is not a very complete answer to the question in my view. The gentleman admits on one hand that, yes, the calculation of temporary rates is a factor, but I cannot see how this has any answer in the bills already passed. Would it be possible for the gentleman to elucidate a little?

Senator KURY. Mr. President, I would be pleased to do that. Under Senate Bill No. 1216 or Senate Bill No.

1217, I cannot remember them by number, but in one of the bills we, in effect, eliminated temporary rates and allowed emergency rate relief only under extraordinary circumstances.

In addition, Mr. President, the bills we passed are aimed at cutting down the entire rate-making procedure so that the utilities get an answer one way or the other on the whole application within six months. So, if that legislation passes, as I hope it will, it will be a great help to the utilities so they do not have to wait so long for answers and I think it will obviate the question which the gentleman is raising.

Senator FLEMING. Mr. President, I thank the gentleman for those answers. I have one further question—but begging the Chair's leave here—I do not want to encroach on debate that does not deal solely with the amendments. What, Mr. President, is the gentleman's interpretation of original cost?

Senator KURY. Mr. President, our interpretation of the original cost would be the actual amount expended when the plant is built or purchased.

Senator FLEMING. Mr. President, would the gentleman agree that the thirty-one states that use this method use it in different manners?

Senator KURY. Mr. President, I do not know that I can answer that with a flat yes or no. I would point out—I think it would be responsive—that, assuming we adopt that in Pennsylvania, that is just the first element that goes into the calculation of what the rate should be and the Commission would have some discretion as to what else is considered.

Senator FLEMING. Mr. President, would the gentleman agree that two of the considerations for calculations under original cost might be historical cost and prudent investment?

Senator KURY. Mr. President, the phrases he is bringing up are, of course, phrases of art which have developed in the regulatory field and, of course, the various regulatory commissions have some discretion in how these are applied.

Senator FLEMING. Mr. President, I do not want to prolong this very much further but just one final question.

Would my colleague, the gentleman from Northumberland, Senator Kury, agree that even under the calculation in original cost, there are varying ways of calculating this and it is not an exact science?

Senator KURY. Yes, I think I could agree with that, Mr. President.

Senator FLEMING. Mr. President, I thank the gentleman.

And the question recurring,
Will the Senate agree to the amendments?

The yeas and nays were required by Senator JUBELIRER and were as follows, viz:

YEAS—17

Bell, Dwyer, Ewing, Fleming, Frame,	Hager, Hess, Holl, Howard,	Jubelirer, Lentz, Manbeck, Moore,	Myers, Ross, Snyder, Tilghman,
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NAYS—28

Ammerman, Andrews,	Hankins, Hill,	McKinney, Mellow,	Reibman, Romanelli,
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Arlene, Coppersmith, Dougherty, Duffield, Early,	Hobbs, Kelley, Kury, Lewis, Lynch,	Messinger, Murray, Nolan, O'Pake, Orlando,	Scanlon, Smith, Stapleton, Sweeney, Wood,
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So the question was determined in the negative, and the amendments were defeated.

And the question recurring,
Will the Senate agree to the bill on third consideration?
Senator FLEMING, by unanimous consent, offered the following amendments:

Amend Sec. 1 (Sec. 311), page 2, line 23, by inserting after "Utility.—": (a)

Amend Sec. 1 (Sec. 311), page 3, by inserting after line 5:

(b) The commission shall by rule establish guidelines allowing construction work in progress to be considered in determining an appropriate rate base for a public utility in a rate proceeding; the amount so allowable shall be not less than ten per centum of the rate base as determined by the commission, or such lesser amount if the public utility's total construction work in progress is less than ten per centum of the rate base as determined by the commission, and not more than twenty per centum of the rate base as determined by the commission. The commission shall, after hearing, by rule or regulation, prescribe, for each class of public utilities subject to its jurisdiction, an appropriate period of time during which a public utility may incorporate in its rate base such amounts of its construction work in progress as is otherwise consistent with the provisions of this subsection. Such period of time shall in any event be not less than four years or more than six years from the effective date of this subsection.

On the question,
Will the Senate agree to the amendments?

Senator FLEMING. Mr. President, by means of these amendments there is an attempt to recognize the work under construction in the rate-making process. It is our understanding that the original report on this whole public utility legislative package originally included Senate Bill No. 1218 which, for some unknown reason, has been withdrawn and was never introduced or handled. It may have been introduced, but it was not reported out of committee. It is my position that you simply cannot ignore, or we cannot ignore or walk away from the whole question of whether we consider cost of construction in the rate-making process.

You can ignore it at your peril, you can forget about it for the meantime, but, eventually, if you do that, what will happen is that the rates all of a sudden, whether they be one utility rate or another, will reflect this increase rather than having it reflected gradually.

If by means of these amendments, some work under construction can be included in the rate-making base and this construction takes place over a period of four to six years—and some construction takes place with some plants over a longer period of time—and the rate-making process includes between ten per cent and twenty per cent of this cost, then the rates are not so adversely affected with tremendous increases at the final conclusion of construction.

Also, by means of these amendments, you even out the borrowing capacity, the bond rates that are in the cost of money. Certainly this is a factor. These will be adversely affected if we ignore construction costs.

I do not really see how it is possible to walk away from construction as an item in a rate-making base. What these amendments do is attempt to do what was apparently forgotten about or ignored by the lack of consideration of Senate Bill No. 1218.

Mr. President, I would urge my colleagues to correct this oversight by accepting the amendments by voting in the affirmative.

Mr. President, I request a roll call vote.

Senator KURY. Mr. President, I would ask my colleagues on both sides of the aisle to reject these amendments. This was a matter which was considered, but we believe that the need for the kind of remedy which the gentleman from Montgomery, Senator Fleming, is talking about has been obviated by the other legislation which will speed up the whole regulatory process.

These amendments are not needed to this bill. Therefore, I urge that we reject them.

And the question recurring,

Will the Senate agree to the amendments?

(During the calling of the roll, the following occurred:)

Senator HAGER. Mr. President, voting under a misapprehension, I would like to change my vote from "aye" to "no."

The PRESIDENT. The gentleman will be so recorded.

The yeas and nays were required by Senator FLEMING and were as follows, viz:

YEAS—15

Dwyer,	Hess,	Manbeck,	Snyder,
Ewing,	Holl,	Moore,	Tilghman,
Fleming,	Jubellrer,	Myers,	Wood,
Frame,	Lentz,	Ross,	

NAYS—29

Ammerman,	Hankins,	Lynch,	Orlando,
Andrews,	Hill,	McKinney,	Reibman,
Bell,	Hobbs,	Mellow,	Romanelli,
Coppersmith,	Howard,	Messinger,	Scanlon,
Dougherty,	Kelley,	Murray,	Smith,
Duffield,	Kury,	Nolan,	Stapleton,
Early,	Lewis,	O'Pake,	Sweeney,
Hager,			

So the question was determined in the negative, and the amendments were defeated.

And the question recurring,

Will the Senate agree to the bill on third consideration?

It was agreed to.

On the question,

Shall the bill pass finally?

Senator TILGHMAN. Mr. President, it is my belief that the passage of this bill will require a rate increase by the public utility companies, and I am not voting for a rate increase.

Senator ANDREWS. Mr. President, I desire to interrogate the gentleman from Northumberland, Senator Kury.

The PRESIDENT. Will the gentleman from Northumberland, Senator Kury, permit himself to be interrogated?

Senator KURY. I will, Mr. President.

Senator ANDREWS. Mr. President, I would like to ask the gentleman what we mean by depreciation in this bill. It is defined nowhere in the bill.

Senator KURY. Mr. President, the depreciation would be determined by the Commission because, under other legislation, we give them the authority to set the rules and regulations for depreciation.

Senator ANDREWS. Mr. President, I would then inquire of the gentleman, just as a point of clarification, does this mean that the Public Utility Commission, acting individually on numerous rate increases, would be determining what the depreciation for rate purposes would be for each of these individual companies?

Senator KURY. Mr. President, it is my understanding that it would not be done on a company-by-company basis, but that the Commission would set rules and regulations for depreciation for categories of utilities. That authority is quite clearly spelled out in other legislation which was passed, Mr. President.

Senator ANDREWS. Mr. President, I would then ask the gentleman whether or not, depending upon the rules and regulations set by the Commission with respect to depreciation, it could have significant differences in the effect of a particular rate increase application?

Senator KURY. Mr. President, I think the answer to that is yes, depending, of course, on how it was done.

Senator ANDREWS. Mr. President, I would then ask the gentleman, would it not be possible that, depending upon the regulations promulgated by the Commission, the original cost minus depreciation might cause a figure to be determined which is actually in excess, perhaps, of fair market value?

Senator KURY. Mr. President, I suppose that is theoretically possible.

Senator ANDREWS. Mr. President, I would then inquire of the gentleman as to whether, if this happened, the rates of the utilities would be higher than they would under the fair market determination that we use today?

Senator KURY. Mr. President, my response is that that is theoretically possible, but I think in practical application, unlikely.

Senator ANDREWS. Mr. President, would it be the opinion of the gentleman that the depreciation set forth in this bill would not be that necessarily which would be used for Federal or State income tax purposes?

Senator KURY. Mr. President, that is right. It would not necessarily be the same. I said we give the Commission the authority to promulgate the rules and regulations for depreciation for rate-making purposes.

Senator ANDREWS. Mr. President, I thank the gentleman.

I am somewhat reassured by his answers, because I have been very troubled by how we are actually defining depreciation. I do not know but what we are, perhaps, giving the Public Utility Commission a lot more power by doing so than they have today. I am hopeful that the Commission will not use the Federal income tax depreciation for rate-making determinations because there are so many variations in proper methods of calculating depreciation, the sum of years digit, the straight line; we have all kinds of accelerated depreciation, investment credits and all sorts of things that the Federal government permits, whether rightly or wrongly.

I would hope to be voting on this bill with the understanding that depreciation will be defined by regulation of the Commission and not with respect to standard accounting procedures which may have been used by the utility for either Federal income tax purposes or for purposes of calculating dividends and so forth. I have been reassured by the answers given by the chairman of the committee.

Senator MYERS. Mr. President, I am certainly supporting these bills to reform the PUC. However, in this instance, I am going to vote against this bill and I want to very briefly give my reasoning.

Mr. President, apparently it has been said that it makes no difference, really, in the final analysis, whether original cost is used or fair value, you are going to come up with the same answer and the rate is going to remain the same. I think no one has argued that. As a matter of fact, the Committee, in our recommendations, have admitted this. I was impressed by the testimony of Mr. Childs of the firm of Kidder, Peabody and Company, who are underwriters and distributors of investment securities. He was the only representative of the financial community that testified, and he testified on page 22 in opposition to the original cost method in this way.

He said, "The only way to get away with regulation on an original cost basis is with a relatively small rate of inflation, three or four per cent, but nobody will put money in a utility company with fast inflation on an original cost basis."

So, Mr. President, I think the fair thing to do, and probably the economical thing to do, as far as regulation is concerned, is to utilize fair value or reproduction rate base.

On page 83, he again said, "But I think it is a negative step backward to change from fair value, in the face of inflation, to original cost when fair value is a sound economic approach."

Mr. President, I submit that the utility companies and the utility industry must go to the financial market for the money to provide the plant and equipment, to provide the energy for the public. If the investment community looks more favorably on fair value than original cost, it only makes sense to me that, if we go to original cost, it may well cost more money to raise the funds we need for the utilities, which can only mean one thing to me, and that is a problem with the rates; the rates may go up because of this.

Therefore, Mr. President, I am going to cast a negative vote.

Senator SWEENEY. Mr. President, we all know that the purpose of public hearings fulfills many roles and provides input and feedback to the legislative bodies to make an informed determination as to what is in the best interest of the citizens of the Commonwealth. Within that framework, I should like to share with my colleagues several excerpts from reports which I think should have a significant impact on the way they vote.

Mr. Childs was quoted as representing a dissident view concerning the rate base. Before I quote several of the individuals, I should like to say that during the time that I sat on the committee and attended the various public hearings, I have heard no supportable evidence that would indicate to me that the passage of any of this legislation would precipitate a rate increase.

Mr. President, let us hear some of the wisdom shared with us on the Committee by those in the marketplace who have managed utility companies successfully and have formulated an opinion concerning this question that we are going to make a determination on today.

Mr. Jack K. Busby, President of the Pennsylvania Power and Light Company, said before the committee as follows:

"Because fair value determination of the property rate base is complex, time-consuming and, to many people, mysterious, and viewed by some as a 'cover' for higher rates than would otherwise be justified, I think its continued use may not be in the best interests of consumers, utility companies and the regulatory agencies. It seems to be entirely clear that the original cost approach is more intelligible, more credible and, therefore more in keeping with today's conditions where the decision-making process must be open and understandable if social confidence in our institutions is to be maintained."

Mr. David Dunlap, Esquire, who is heralded in the capital area as somewhat of an authority in the utility field appeared before the committee and stated:

"More time is spent on this aspect of a rate case than upon all other aspects combined. Neither the general public nor anyone else except the technicians understand the present involuted method, whereby the rental to investors depends not upon their investment but rather upon the value of the utility's plant. The public does not see the connection between the plant on the one hand, and the amount of the investors' rental on the other hand."

Mr. Stuart E. McMurray, the President of the Peoples National Gas Company stated before the committee:

"There are a number of factors causing Commission delay, but the chief one is the complex formula that requires the return ingredient—the amount required to pay interest on bonds and dividends and on stock . . . Aside from the incongruity of determining the return on securities on the base of plant values, the time taken to investigate those values, the depreciation, the cash working capital, the materials and supplies and other rate base ingredients, is the chief cause of rate case delay."

And the final quote is from Richard Cudahy, the Chairman of the Wisconsin Public Service Commission, who stated:

"Although we might explore many complexities of this problem, the net investment base rate (original cost) method may be recommended primarily for two reasons: (1) It is administratively simple and yields relatively unarguable results during a period when the time and manpower of the regulatory agencies are at a premium, and (2) it yields results which correspond closely to the applicable capitalization of the utility and, therefore, it relates closely to the cost-of-capital method of determining the requirements for maintaining financial integrity and attracting capital."

Mr. President, I think that these individuals have given us the basis for an affirmative vote on Senate Bill No. 1222.

Senator HAGER. Mr. President, I desire to interrogate the gentleman from Northumberland, Senator Kury.

The PRESIDENT. Will the gentleman from Northumberland, Senator Kury, permit himself to be interrogated?

Senator KURY. I will, Mr. President.

Senator HAGER. Mr. President, as it becomes painfully obvious to somebody once he gets into the legislative process he cannot be an expert on everything, I quickly admit that I know almost nothing about what we are discussing and I want to ask the gentleman some questions. Perhaps he can clear up some of the problems I have.

Mr. President, I have been given a piece of paper by someone—I do not know where it came from—which says that “Proponents of original cost admit that, if properly applied, original cost should allow the same amount of revenues as fair value. However, to do so will mean the PUC will have to permit an overall rate of return in excess of that presently allowed . . .” “This increase in return allowed even though it does not represent an increase in revenues allowed may be extremely difficult to explain to a public receiving five per cent on a savings account.”

Mr. President, I would like to ask whether the basic premise of that is true or false?

Senator KURY. I would say it is true, Mr. President, that is the idea that the actual percentage may change but the actual dollars will stay the same.

Senator HAGER. Mr. President, the next quote on here is as follows: “According to Moody’s 24 Public Utility’s, utility’s stocks in fair value jurisdictions earn a higher return on book equity than those in original cost jurisdictions. The ability to sell stocks and bonds at reasonable prices in the long run assures lower utility rates to customers because customers ultimately bear the cost of interest and dividends, and are adversely affected by the utility’s inability to sell stock.”

Is the premise of that true or false, Mr. President?

Senator KURY. I am not sure, Mr. President. I would make this response: Obviously utilities have to be in a position to sell their securities, but there are a number of factors involved there beyond whether or not it is a fair value state, of which there are ten remaining, or an original cost state. There are a lot of other factors involved. From what I have learned serving as the committee chairman and listening to the witnesses and talking to others, I do not believe that an original cost method as the key factor in the rate base is going to have any adverse effect on the utilities.

Senator HAGER. Might I ask then about the first sentence, Mr. President? According to Moody’s 24 Public Utility’s, utility’s stocks in fair value jurisdictions earn a higher return on book equity than those in original cost jurisdictions. Is that true or false?

Senator KURY. Mr. President, I have not read that particular section of Moody’s, but I would say there are a lot of factors involved, including management and other things.

Senator HAGER. The answer I figure then, Mr. President, is that the gentleman does not know whether that is true or false.

Senator KURY. I would not know about that particular section, Mr. President.

Senator HAGER. Mr. President, is it true also that fair value is employed in a majority of the industrial states where the bulk of public utility property is located?

Senator KURY. No, Mr. President, that is not true. In fact, the only industrial state other than Pennsylvania

that I am aware of where it is used is Indiana. Fair value is also used in Arizona, Delaware, Indiana, Maryland, Mississippi, Missouri, New Mexico, North Carolina, Pennsylvania and Texas.

Senator HAGER. Mr. President, under current law and practice, are not the utilities virtually guaranteed a profit in this state?

Senator KURY. When you say that, that reminds me, Mr. President, of the law school days which I shared with my colleague from Lycoming, Senator Hager; the phrase, “under existing law” is what they used to call “putting the rabbit in the hat.” I am not quite sure what the gentleman means by “existing law”; does he mean Pennsylvania law or constitutional law or what does he mean?

Senator HAGER. Let me rephrase it, Mr. President. Is it not a fact that Pennsylvania has and is going to continue to guarantee public utility companies a fair rate of return so that they can show a profit?

Senator KURY. I would hope that is the case, Mr. President, because the utility companies do operate under the protection of the United States Constitution, which provides for due process and proper return on value of property and public service and that kind of thing. So, I think, not to return a proper return, of course, would be an unconstitutional taking, so I think the answer to that question is certainly yes. I should hope so.

Senator HAGER. Then, Mr. President, with a predetermined result are we not really only changing the numbers? I mean two times six is twelve and three times four is twelve. Are we not engaging in that kind of an exercise?

Senator KURY. No, Mr. President, I really do not think so.

Mr. President, the problem with the fair value system is it is entirely speculative. The companies come in and show the cost of reproducing every item of plant they have, even though it is fifty or sixty years old, and it is purely a theoretical proof. Nobody ever actually has to rebuild one of their plants or demonstrate it; but they do this every time they come in for a rate increase, they have to reprove it. This ties up an awful lot of the PUC staff, and they are understaffed over there. It ties up an awful lot of time. What we are doing with our bill is saying that you shall start with a simple set of facts, the original cost figures, which do not require proof beyond the publication of the documents containing it, which saves a great deal of time, which is unarguable and which lets us get down to the really basic question of what rate of return does this company need to be fair and equitable to its investors? There is a great difference, Mr. President.

Senator HAGER. Mr. President, my last question: Speaking politically for a moment, Mr. President, and based upon the gentleman’s answer to the earlier question about if we lower the value we are going to have to increase the rate, is it not going to appear to the public that we are giving them something with our right hand and then later on, when we raise the rate, taking it back with our left?

Senator KURY. Well, Mr. President, I suppose there are those who might make that observation or draw that conclusion, but I think it will be a very superficial conclusion. I think, Mr. President, if we pass this bill, we can go to the public and say, “We have made the utility regulation system in this State more open, more compre-

hensible, more direct and less time consuming." I think that will be a benefit both to the consumer and the utility alike.

Senator HAGER. I thank the gentleman, Mr. President.

I would only like to say that for someone who really does not understand it, and I am one of those, it looks to me and I suspect it will look to the public that we are, for the moment, giving them something which we say is a reform and then, tomorrow, we are going to hit them with a big rate increase and we are going to be convicted of that, giving something with the right hand and snapping it back with the left.

Senator HILL. Mr. President, I desire to interrogate the gentleman from Northumberland, Senator Kury.

The PRESIDENT. Will the gentleman from Northumberland, Senator Kury, permit himself to be interrogated?

Senator KURY. I will, Mr. President.

Senator HILL. Mr. President, I understand the difficulty in trying to determine fair value of a public utility plant, but I ask the gentleman, has anyone taken a hypothetical case and determined what the rate of return and percentage is against the fair value and then, in the same case, the original cost? In other words, what greater rate percentage would the rate of return be if figured on the original cost?

Senator KURY. Give me just a moment, Mr. President.

The PRESIDENT. We will be at ease for just a minute. (The Senate was at ease.)

Senator KURY. Mr. President, the Argus Research Group on Wall Street, which does research for the investing market and the securities market, has given us a draft copy of their analysis of Pennsylvania securities in the utility situation. It is their estimate that the change in percentage would be one to one and a half per cent.

Senator HILL. In other words, Mr. President, what is the fair rate of return used now against a fair valuation of the capital plant?

Senator KURY. Mr. President, I believe that varies, I do not believe there is a figure.

Senator HILL. Mr. President, is there a range of what it is now?

Senator KURY. Mr. President, I do not recall the figures, Mr. President.

Senator HILL. Mr. President, it is the gentleman's understanding then, whatever this range against a fair value would be, that it would be one to one and a half per cent higher if the original cost was used?

Senator KURY. Yes, Mr. President, that is on the percentage but the actual dollar charge to the customer would be the same.

Senator HILL. Mr. President, I have trouble in determining that. I can understand how it is possible to say we will let you have a six per cent rate of return against the fair value of your property, but how does the court determine the rate of return against the original cost?

Senator KURY. Mr. President, it is spelled out in the section of the law that says they shall consider the original cost, minus depreciation and other factors involved which would include operating expenses, an inflation factor, things of that nature. They are not bound to an ironclad formula. What we are doing here is giving them the basic facts from which they are starting. This is not the final formula.

Senator HILL. Mr. President, I can understand how a court might say, "You are entitled to six per cent or

seven per cent or eight per cent, depending on what interest rates are and so forth, against a property which has been evaluated in accordance with the present rules," but how does a court figure it against the original cost if the original cost was determined years ago, or made based on something forty or fifty years ago? How can a court relate one original cost in one public utility rate base that was basically incurred fifty years ago, let us say, against one incurred ten years ago? How do you have a standard?

Senator KURY. Well, Mr. President, the standard was set in the Hope Natural Gas case of 1938, in which the Supreme Court of the United States said that it is the end result which counts. Nowhere in the legislation have we ever spelled out a specific rate of return or specific formula as far as coming up with an equation and getting a final percentage answer. This has to be left to the judgment of the Commission.

Senator HILL. Mr. President, my final question is this: If you are going to take the fair valuation of, let us say, some water company and the fair valuation of an electric company, it should be the same rate of return against both those valuations because that is the fair valuation, right?

Senator KURY. Not necessarily, Mr. President.

Senator HILL. All right, Mr. President, against then two different electric companies. Take the Philadelphia Electric Company and a similar electric company in the western part of the State; you should have the same percentage rate of return applied to the fair valuation of that property, is that correct?

Senator KURY. Well, Mr. President, probably that is right. I am not quite sure—

Senator HILL. Mr. President, how could you say it is six per cent of the Pennsylvania Power and Light fair value and eight per cent of the Duquesne Electric fair value? It seems to me it would have to be the same percentage rate for both companies, would it not?

Senator KURY. Not necessarily, Mr. President. It might be that one of the utilities has to expand, the other may not have any expansion plans.

Senator HILL. Forgetting that, Mr. President—

Senator KURY. I do not see how you can forget that, Mr. President. You cannot forget that.

Senator HILL. All right, Mr. President, supposing one electric company's average age of its equipment is forty years, or thirty years, let us say, and another company's is fifteen years, how do you apply a standard percentage against both companies? It seems to me that the cost was incurred at different times.

Senator KURY. Mr. President, I am not sure you have to have the same percentage rate. I think the gentleman is laboring under an assumption that it has to be the same in each case and I am not sure that is true.

As I understand the Constitution of the United States, as interpreted in the Hope case and other cases, the regulatory bodies have a great deal of discretion and the final test is whether there is fair compensation for the investment and operating expenses of the particular utility.

Senator COPPERSMITH. Mr. President, there are two big reasons, I think, why I am going to vote for this bill. One is the vast amount of accounting and legal work which will be avoided if they can use original cost instead of fair value. When I supported No-fault, I was accused of taking work away from lawyers, and I think

I could be accused of the same thing now, because it has been pointed out by many of the Members that there will be a lot less accounting and a lot less legal work being done. The material, the figures will be there without a great deal of subjective interpretation.

The second reason I am supporting this is a little different. I am a great believer in the free enterprise system. If you are in competition and you make a mistake, you find out very quickly in the marketplace that you have made a mistake. If you are operating in an inefficient way and your expenses are too high in relation to your sales or to your establishment, you find out very quickly and you pay the penalty economically.

Utilities do not have competition and, therefore, many times they can get away with operating inefficiently without paying any penalty. It is just passed on to the consumer. The reason I am for this bill is, if you have original cost, the accounting principles and practices of all utilities will be the same. At least, you will then be able to compare one utility against another. You will be able to compare one electric company against another. You can see how efficiently they are using their capital and compare the percentage of expenses in relation to the capital investment.

If you have fair value, you have no way of doing it, because you would have to have massive studies of each utility to find out how they have determined their fair value. With original cost, at least you have a basis on which people can determine how efficient and effective is one utility company compared to another. There are very efficient utility companies, and there are very inefficient utility companies.

If you have a very uniform system of accounting whereby the investments, the expenses and the rate base of similar utility companies are all computed the same way, at least you will have a rule of thumb whereby you can determine how efficient one company is versus the other. While you do not have the check of competition to keep them efficient and to keep them on their toes, a regulatory body will have some standard by which to judge them.

Senator JUBELIRER. Mr. President, I have certainly listened with interest to the excellent debate which has been conducted on a piece of legislation that I consider, perhaps, one of the most important pieces of legislation which has come before this Body since I have been here.

I rise, Mr. President, to speak against the passage of Senate Bill No. 1222. Too often this bill has been oversimplified. I do not think one thing we need is change for change sake. I do not think we need to call a bad piece of legislation reform by virtue of the fact that it is making a change.

As was expressed to the Committee on Consumer Affairs by Mr. John Childs, who is the vice president of Kidder Peabody of New York, going to original cost today would be a step backward and would be disastrous. I could quote somewhat differently as to what Mr. McMurray and my colleague, the gentleman from Delaware, Senator Sweeney, testified to, but I do not think that he was persuasive to us in that we should make the change.

Fair value means fair. It is a moderate and reasonable valuation of the utility rate base. It falls between original cost, which is the lowest valuation, and reproduction cost, the highest valuation.

Fair value recognizes the economic fact that the cost of

money fluctuates, that is, it recognizes inflation and recession. It recognizes that utility plant is added from time to time and is not built at one time only.

Fair value is essentially the same process as buying a house at \$25,000 in 1950 and selling it for \$40,000 in 1976. It is essentially the same as my pricing the selling cost of widgets in my business. The use of original cost in these instances is merely for tax purposes and not for valuing the rate at which I will sell my services or goods.

Proponents of original cost admit that, if properly applied, original cost should allow the same amount of revenues as fair value. However, to do so will mean the PUC will have to permit an overall rate of return in excess of that which is presently allowed, which is somewhere between seven per cent and nine per cent. I respectfully disagree with my colleague, the gentleman from Northumberland, Senator Kury, when he says that the percentage will go up one per cent to one and one-half per cent, but I submit that the percentage, in order to get the same kind of money, will be twelve per cent to fourteen per cent. The increase in return allowed, even though it does not represent an increase in revenues allowed, may be extremely difficult to explain, as my colleague, the gentleman from Lycoming, Senator Hager, has set forth, to a public receiving five per cent on a savings account.

Mr. President, the Supreme Court has ruled that there should be a reasonable rate of return. The gentleman from Northumberland, Senator Kury, has set forth under interrogation that that is, in fact, the way it should be. However, one of two things will happen.

Number one, it will take a court action to force the PUC to provide this rate of return by virtue of the fact that there will be tremendous pressure from a public that will say, how can you go from seven per cent to twelve per cent or thirteen per cent, and will vigorously oppose it with the most pressure that can possibly be set forth. If that happens, and if they go from seven per cent to ten per cent, then what happens to the utility if we are to make a judgment today that utilities should not be taken over by the State, but rather should be in the marketplace and privately owned? What will happen is, they will have to go and borrow money. They will have to pay interest on that money, high rates of interest. If they do that, they are going to have to come back to the PUC and say, "PUC, we have to have more money by virtue of the fact that you have forced us to go out and borrow to meet our obligations to our bondholders." Or, Mr. President, the worst thing that could happen is, there will be no bondholders. There will be nobody in the market looking for the bonds of the electric companies or the gas companies, and we then will be faced with the problem of saying, "Does the Commonwealth of Pennsylvania want to run the utilities?"

I suggest, Mr. President, that this could be the worst possible thing that could ever happen to the consumer, the user of utilities, than when this Body takes over those utilities. If their rates are high now, they ain't seen nothin' yet.

Similarly, if the total revenues allowed should be the same under both systems, why make the change?

According to Moody's, 24 Public Utility's, utility's stocks in fair value jurisdictions earn a higher return on book equity than those in original cost jurisdictions. The ability to sell stocks and bonds at reasonable prices in the long run assures lower utility rates, Mr. President,

to customers, because customers ultimately bear the cost of interest and dividends and are adversely affected by the utility's inability to sell stock.

Original cost minus depreciation will not shorten or make more understandable rate making, and I disagree with my colleague, the gentleman from Cambria, Senator Coppersmith, when he says that it will. Reserve and accrual depreciation will still have to be determined, and these items of accounting are neither simple nor an exact science. In fact, there is no such thing as simple accounting procedure.

For example, if a company experiences a flood loss, that loss is reported on the books in the year in which the flood occurred. For rate-making purposes, that flood loss is amortized over a period of ten years. It has been stated that the majority of the states use original cost. However, that is not completely accurate. I suggest that some of the important states were left out as fair value states. Not only the states which the gentleman from Northumberland, Senator Kury, mentioned, but our neighbors in New Jersey and New York also are fair value states, along with Delaware, Indiana, New Mexico, Montana, Ohio, North Carolina, Missouri, Minnesota, Alabama, Kentucky, Texas and Maryland.

I suggest that, as has been brought out here before, the type of original cost that has been used in some of the other states is not what we have designed in that particular piece of legislation today.

Major industrial states do utilize fair value.

Another important point, Mr. President, that I should choose to make and nobody has mentioned is, what happens to the small water company? What do we do to the small water company if we should adopt fair value? I suggest that under original cost, old plants, fifty, sixty, seventy years old—and there are those in Pennsylvania—Mr. President, are all depreciated. There can be no return on zero depreciation. There can be no selling of bonds. They may be good plants, Mr. President. They may be well constructed, but they will be forced to build new plants and I do not think they are going to do it. No matter what happens, Mr. President, these small water companies are going to be the most severely hurt.

I had an opportunity to review a letter sent to one of my colleagues. Because this particular gentleman was not in my constituency, he wrote and sent a copy of the letter to me. I would like to quote from him. He is the owner of a small water company.

"Because of the long life and age of most water company plants, a change from Trended Original Cost to Depreciate Original Cost literally amounts to confiscation of property without due recompense. No one would try to value a house built twenty years ago for \$10,000 today at its depreciated original cost. That is just what such a change purports to do.

"The provisions of this bill will seriously impede the small water companies' ability to obtain needed funds to meet the constantly increasing wage, material and consumer demands. They will not be able to maintain reasonably adequate standards of service, and many will be wiped out by bankruptcy."

Mr. President, we in this Body have passed, in my opinion, some of the most comprehensive reforms that our jurisprudence had ever seen. The committee has worked diligently to bring about these reforms. I say to my colleagues, let us give those reforms an opportunity to be-

come law. Let us hope that the House passes the reforms that we have passed, that the Governor signs them into law and that there will be an opportunity for the public to see whether the Pennsylvania Legislature has indeed created reforms or whether we have given it lip service.

Many of the things that we have done we will not feel the effects of and the consumer will not feel the effects of for many months and, perhaps, a year or so, at least. I think if we pass this particular piece of legislation, we will not be going forward, but, rather, we will be taking a disastrous step backward which many of us will live to regret.

Mr. President, I do hope that everyone gives serious consideration to this kind of legislation, and I certainly urge a "no" vote.

And the question recurring,
Shall the bill pass finally?

(During the calling of the roll, the following occurred:)
Senator HOLL. Mr. President, I would like to change my vote from "aye" to "no."

The PRESIDENT. The gentleman will be so recorded.

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—19

Ammerman, Andrews, Arlene, Bell, Coppersmith,	Dougherty, Early, Hankins, Hill, Hobbs,	Kury, Lewis, McKinney, Mellow, Messinger,	Murray, O'Pake, Stapleton, Sweeney,
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NAYS—25

Duffield, Dwyer, Ewing, Fleming, Frame, Hager, Hess,	Holl, Howard, Jubelirer, Kelley, Lentz, Lynch,	Manbeck, Moore, Myers, Nolan, Orlando, Reibman,	Romanelli, Ross, Scanlon, Snyder, Tlighthman, Wood,
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Less than a majority of all the Senators having voted "aye," the question was determined in the negative.

BIRTHDAY FELICITATIONS EXTENDED TO SERGEANT-AT-ARMS JOHN GABRIEL

The PRESIDENT. We have a few more roll calls. We might just take a moment's break. Senator Frame called to my attention sometime earlier in the afternoon that today is the birthday of John Gabriel, our Sergeant-at-Arms, who is probably one of the most quiet, unassuming men. Let us give him a warm Senate greeting with our applause.

(Applause.)

Senator FRAME. Mr. President, you will recall that in response to that information, you inquired of me as to which birthday it was. I was prudent enough not to even suggest that I knew.

CONSIDERATION OF CALENDAR RESUMED

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 1268 (Pr. No. 1690)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman,	Hager,	Lewis,	Orlando,
Andrews,	Hankins,	Lynch,	Reibman,
Arlene,	Hess,	Manbeck,	Romanelli,
Bell,	Hill,	McKinney,	Ross,
Coppersmith,	Hobbs,	Mellow,	Scanlon,
Dougherty,	Holl,	Messinger,	Smith,
Duffield,	Howard,	Moore,	Snyder,
Dwyer,	Jubellrer,	Murray,	Stapleton,
Early,	Kelley,	Myers,	Sweeney,
Ewing,	Kury,	Nolan,	Tilghman,
Fleming,	Lentz,	O'Pake,	Wood,
Frame,			

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative. Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

SB 1327 (Pr. No. 1613)—Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman,	Hager,	Lewis,	Orlando,
Andrews,	Hankins,	Lynch,	Reibman,
Arlene,	Hess,	Manbeck,	Romanelli,
Bell,	Hill,	McKinney,	Ross,
Coppersmith,	Hobbs,	Mellow,	Scanlon,
Dougherty,	Holl,	Messinger,	Smith,
Duffield,	Howard,	Moore,	Snyder,
Dwyer,	Jubellrer,	Murray,	Stapleton,
Early,	Kelley,	Myers,	Sweeney,
Ewing,	Kury,	Nolan,	Tilghman,
Fleming,	Lentz,	O'Pake,	Wood,
Frame,			

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative. Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

SB 1329 (Pr. No. 1703)—Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman,	Hager,	Lewis,	Orlando,
Andrews,	Hankins,	Lynch,	Reibman,
Arlene,	Hess,	Manbeck,	Romanelli,
Bell,	Hill,	McKinney,	Ross,
Coppersmith,	Hobbs,	Mellow,	Scanlon,
Dougherty,	Holl,	Messinger,	Smith,
Duffield,	Howard,	Moore,	Snyder,
Dwyer,	Jubellrer,	Murray,	Stapleton,
Early,	Kelley,	Myers,	Sweeney,
Ewing,	Kury,	Nolan,	Tilghman,
Fleming,	Lentz,	O'Pake,	Wood,
Frame,			

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative. Ordered, That the Clerk present said bill to the House of Representatives for concurrence.

BILL OVER IN ORDER ON FINAL PASSAGE

SB 1330 (Pr. No. 1616)—Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

Senator HAGER. Mr. President, I thought it might be worthwhile to let the Senate know what the objection is to this bill. It comes from the Pennsylvania Association of Mutual Insurance Companies. The letter is signed by Robert Peifer. He feels that this bill is one which is aimed at allowing the Department of Insurance to get into some things in mutual companies that they do not get into in stock companies, and that it is merely a "make work" bill for the Department of Insurance.

As a matter of fact, in summation, he says, "I continue to believe that this bill accomplishes nothing except to provide the Insurance Department with a statistic for its next news release and the next report by the Commissioner to the Governor. The only extension of authority granted by this bill which the Commissioner does not now possess can be found on page 2, lines 2 and 3, where the words 'quarterly statements, monthly statements' were inserted. The other items are addressed to in the enclosure."

He points out that this is just some more government meddling in what should be private business.

REQUEST FOR BILL OVER IN ORDER

Senator MELLOW. Mr. President, might we reconsider and put this bill over in its order?

The PRESIDENT. A request to do that, Senator, would always be in order.

Senator MELLOW. Mr. President, I request that Senate Bill No. 1330 go over in its order.

The PRESIDENT. Without objection, at the request of Senator Mellow, Senate Bill No. 1330 will go over on final passage.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1480 (Pr. No. 1741)—Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEAS—45

Ammerman,	Hager,	Lewis,	Orlando,
Andrews,	Hankins,	Lynch,	Reibman,
Arlene,	Hess,	Manbeck,	Romanelli,
Bell,	Hill,	McKinney,	Ross,
Coppersmith,	Hobbs,	Mellow,	Scanlon,
Dougherty,	Holl,	Messinger,	Smith,
Duffield,	Howard,	Moore,	Snyder,
Dwyer,	Jubellrer,	Murray,	Stapleton,
Early,	Kelley,	Myers,	Sweeney,
Ewing,	Kury,	Nolan,	Tilghman,
Fleming,	Lentz,	O'Pake,	Wood,
Frame,			

NAYS—0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Clerk return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

The PRESIDENT pro tempore (Martin L. Murray) in the Chair.

SECOND CONSIDERATION CALENDAR

BILL REREPORTED FROM COMMITTEE ON SECOND CONSIDERATION AMENDED

HB 614 (Pr. No. 2967)—The bill was considered.

On the question,
Will the Senate agree to the bill on second consideration?

Senator NOLAN, on behalf of Senator CIANFRANI, offered the following amendment:

Amend Title, page 1, lines 11 and 12, by striking out "extending the terms of the commissioners and"

On the question,
Will the Senate agree to the amendment?
It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator NOLAN.

PREFERRED APPROPRIATION BILLS OVER IN ORDER

SB 1394, 1395, 1396, 1397, 1398, 1399 and 1400—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

BILL ON SECOND CONSIDERATION

HB 217 (Pr. No. 2965)—Considered the second time and agreed to,

Ordered, To be transcribed for a third consideration.

BILL REREFERRED

SB 403 (Pr. No. 1763)—Upon motion of Senator NOLAN, and agreed to, the bill was rereferred to the Committee on Appropriations.

BILLS OVER IN ORDER

HB 501 and 580—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

BILL ON SECOND CONSIDERATION

HB 605 (Pr. No. 2926)—Considered the second time and agreed to,

Ordered, To be transcribed for a third consideration.

BILLS OVER IN ORDER

SB 848, 849 and 1183—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

BILL ON SECOND CONSIDERATION AMENDED

SB 1197 (Pr. No. 1764)—The bill was considered.

On the question,

Will the Senate agree to the bill on second consideration?

Senator MOORE offered the following amendments:

Amend Sec. 5, page 5, line 25, by striking out "(13)" and inserting: (12)

Amend Sec. 5, page 5, line 25, by striking out "(14)" and inserting: (13)

On the question,
Will the Senate agree to the amendments?
They were agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator MOORE.

BILLS OVER IN ORDER

SB 1267 and 1383—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

BILL ON SECOND CONSIDERATION AMENDED

SB 1390 (Pr. No. 1713)—The bill was considered.

On the question,
Will the Senate agree to the bill on second consideration?

Senator FRAME offered the following amendments:

Amend Title, page 1, line 25, by inserting after "act,"": authorizing designator for certain members of the authority and

Amend Bill, page 1, by inserting between lines 28 and 29:

Section 1. Section 3, act of January 22, 1968 (P. L. 27, No. 7), known as "The Pennsylvania Transportation Assistance Authority Act of 1967," is amended to read:

Section 3. Transportation Assistance Authority.

—The Governor, the State Treasurer, the Auditor General, the Secretary of Community Affairs, the Secretary of Commerce, the Secretary of [Property and Supplies] General Services, the Secretary of [Highways] Transportation, the Speaker of the House of Representatives, the President pro tempore of the Senate, the minority leader of the Senate, and the minority leader of the House of Representatives, and their respective successors in office, are hereby created a body corporate and politic constituting a public corporation and governmental instrumentality by the name of "The Pennsylvania Transportation Assistance Authority." The President pro tempore of the Senate and minority leader of the Senate and the Speaker of the House of Representatives and minority leader of the House of Representatives may designate any member of the Senate or House, respectively, to act in their stead to serve at the discretion of the respective President pro tempore and Speaker of the House of Representatives or minority leaders. The members of the authority shall be entitled to no compensation for their services as members but shall be entitled to reimbursement for all necessary expenses incurred in the connection with the performance of their duties as members.

Amend Sec. 1, page 1, line 29, by striking out "1." and inserting: 2.

Amend Sec. 1, page 1, lines 29 and 30, page 2, line 1, by striking out "act of January 22," in line 29, all of line 30, page 1; and "Assistance Authority Act of 1967," in line 1, page 2, and inserting: of the act

Amend Sec. 2, page 2, line 16, by striking out "2." and inserting: 3.

On the question,
Will the Senate agree to the amendments?

They were agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator FRAME.

BILLS OVER IN ORDER

HB 1482 and 1483—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

BILL ON SECOND CONSIDERATION

HB 1489 (Pr. No. 1750)—Considered the second time and agreed to,

Ordered, To be transcribed for a third consideration.

BILLS OVER IN ORDER

HB 1490 and 1772—Without objection, the bills were passed over in their order at the request of Senator NOLAN.

UNFINISHED BUSINESS

REPORTS FROM COMMITTEES

Senator NOLAN, on behalf of Senator CIANFRANI, from the Committee on Appropriations, reported, as committed, **SB 1429**.

Senator MELLOW, from the Committee on Environmental Resources, reported, as committed, **HB 925, 926 and 927**; as amended, **HB 969, 972 and 1461**.

Senator ARLENE, from the Committee on Labor and Industry, reported, as committed, **HB 713, 1431 and 1971**.

SENATE CONCURRENT RESOLUTION

REQUESTING CONGRESS TO AMEND CONSTITUTION REQUIRING A BALANCED BUDGET

Senator EARLY offered the following resolution (**Serial No. 237**), which was read and referred to the Committee on Rules and Executive Nominations:

In the Senate, March 29, 1976.

WHEREAS, The Congress of the United States as the elected representatives of the citizens of the United States controls the financial and economic destinies of the United States of America by virtue of the powers granted Congress by the Constitution of the United States; and

WHEREAS, The recent and continuing economic crises demonstrates the frail and risky nature of the financial and economic policies of deficit spending adopted and approved by Congress; and

WHEREAS, The current National debt level of five hundred eighty four point two billion dollars is the highest burden ever placed on the shoulders of the citizenry of this great Nation in a period of time when unemployment and interest rates are remaining at high levels; and

WHEREAS, The General Assembly of the Commonwealth of Pennsylvania is vitally concerned about the financial and economic health of Pennsylvania and the Nation; now therefore be it

RESOLVED (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to propose an amendment to the Constitution of the United States which would prohibit the Congress from adopting any budget or proposing any budget which would require deficit spending; and be it further

RESOLVED, That in the event the Congress of the United States does not propose such an amendment by January 1, 1978, that this petition be construed as a request by the Commonwealth of Pennsylvania that a Constitutional convention be called in accordance with the provisions of Article V of the Constitution of the United States relating to the powers of the State Legislators to have Congress call a Constitutional convention; and be it further

RESOLVED, That copies of this resolution be transmitted to the presiding officers of each house of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

SENATE RESOLUTION

SENATE COMMITTEE TO INVESTIGATE AGREEMENTS, CONTRACTS AND NEGOTIATIONS BETWEEN DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND FAYETTE COUNTY HOUSING AUTHORITY

Senators EARLY and NOLAN offered the following resolution (**Serial No. 82**), which was read and referred to the Committee on Rules and Executive Nominations:

In the Senate, March 29, 1976.

WHEREAS, The Belle Vernon apartment building which will provide much needed housing for the elderly in Fayette County has been virtually ready for occupancy for nearly one year is undergoing "financial problems."

WHEREAS, It appears that these financial problems stem from several contractual situations involving a general contractor, developer, sub-contractors, the Federal Department of Housing and Urban Development and the Fayette County Housing Authority.

WHEREAS, The housing of elderly citizens of this Commonwealth is of utmost concern to the General Assembly of the Commonwealth of Pennsylvania; now therefore be it

RESOLVED, That the President pro tempore of the Senate of the Commonwealth of Pennsylvania appoint a five member bipartisan committee, three from the majority party and two from the minority party to conduct an investigation and review of all agreements, contracts and negotiations between the Department of Housing and Urban Development and the Fayette County Housing Authority and any other contracts, agreements and proposals relating thereto; and be it further

RESOLVED, That the committee may hold hearings, take testimony, and make its investigations at such places as it deems necessary within this Commonwealth. It may issue subpoenas under the hand and seal of its chairman commanding any person to appear before it and to answer questions touching matters properly being inquired into by the committee and to produce such books, papers, records and documents as the committee deems necessary. Such subpoenas may be served upon any person and shall have the force and effect of subpoenas issued out of the courts of this Commonwealth. Any person who wilfully neglects or refuses to testify before the committee or to produce any books, papers, records or documents, shall be subject to the penalties provided by the laws of the Commonwealth in such case. Each member of the committee shall have power to administer oaths and affirmations to witnesses appearing before the committee; and be it further

RESOLVED, That the committee shall make a report to the Senate of its findings and recommendations for any legislation or administrative action as soon as possible.

CONGRATULATORY RESOLUTIONS

The PRESIDENT pro tempore laid before the Senate the following resolutions, which were read, considered and adopted:

Congratulations of the Senate were extended to Police Officer John Anderson by Senator Stapleton.

Congratulations of the Senate were extended to the Emmaus High School Hornets girls basketball team by Senator Messinger.

Congratulations of the Senate were extended to The Port Royal Times by Senator Moore.

Congratulations of the Senate were extended to Mr. William F. Urban by Senator Murphy.

Congratulations of the Senate were extended to Mr. William Houser, Mr. Richard Kimmel, Mr. Leon L. Miller, Mrs. Louella Slike and to the Rehersburg Lions Club by Senator Manbeck.

Congratulations of the Senate were extended to the Saint Cyril of Alexandria's girls basketball team by Senator Scanlon.

Congratulations of the Senate were extended to Andrew Yaracs, Jr., Alberta "Bert" Schaffnit, the Union Area Scotties basketball team, the Cranberry Ambulance Corps, and to the Cranberry Athletic Association by Senator Andrews.

Congratulations of the Senate were extended to the Reverend George P. Stalavicz by Senator Mellow.

BILLS ON FIRST CONSIDERATION

Senator NOLAN. Mr. President, I move that the Senate do now proceed to consideration of all bills reported from committees for the first time at today's Session.

The motion was agreed to.

The bills were as follows:

SB 516, 1429, HB 713, 925, 926, 927, 969, 972, 1431, 1461 and 1971.

And said bills having been considered for the first time, Ordered, To be laid aside for second consideration.

EXECUTIVE NOMINATION

Senator FRAME. Mr. President, on behalf of four of my colleagues and myself, and in accordance with Article IV, Section 8(b) of the Constitution of Pennsylvania, I do hereby file with the Chair a request to the President of the Senate.

The PRESIDENT pro tempore. The Clerk will read the petition.

The Clerk read the petition as follows:

In the Senate, March 29, 1976

TO: The Presiding Officer of the Senate

We, the undersigned members of the Senate, pursuant to the provisions of Article IV, Section 8(b) of the Constitution of Pennsylvania, do hereby request that you place the nomination of Esther F. Clark, Esquire, 207 Knoll Road, Wallingford, as Judge of the Court of Common Pleas of the Thirty-second Judicial District of Pennsylvania, composed of the County of Delaware, before the entire Senate body for a vote, said nomination having been not voted upon within fifteen (15) legislative days:

Clarence D. Bell
Richard A. Tilghman
Richard C. Frame
Wilmot E. Fleming
T. Newell Wood

The PRESIDENT pro tempore. The name of Esther F. Clark will appear on the next day's Calendar.

HOUSE MESSAGE

HOUSE CONCURS IN SENATE CONCURRENT RESOLUTION

The Clerk of the House of Representatives being introduced, informed the Senate that the House has concurred in resolution from the Senate, entitled:

Weekly Adjournment.

ANNOUNCEMENTS BY THE SECRETARY

The following announcements were read by the Secretary of the Senate:

SENATE OF PENNSYLVANIA

COMMITTEE MEETINGS

Eastern Standard Time	DATE AND COMMITTEE	Room
TUESDAY, MARCH 30, 1976		
9:00 A.M.	PUBLIC HEALTH AND WELFARE to consider House Bills No. 694 and 1104	Majority Caucus Room
9:30 A.M.	CONSUMER AFFAIRS to consider Senate Bill No. 1362	168 B
10:00 A.M.	APPROPRIATIONS to consider Senate Bill No. 527; House Bills No. 77, 188, 379 and 1054	350
10:30 A.M.	JUDICIARY to consider Senate Bills No. 1143, 1144, 1145, 1146, 1147, 1243 and 1251	172
11:00 A.M.	AGING AND YOUTH to consider Senate Bills No. 136, 1203 and 1246	168
11:30 A.M.	TRANSPORTATION to consider Senate Bills No. 888, 1288, 1318, 1342 and House Bill No. 2073	Majority Caucus Room
12:00 Noon	RULES AND EXECUTIVE NOMINATIONS	Rules Committee Conference Room
12:30 P.M.	STATE GOVERNMENT to consider Senate Bill No. 1376; House Bills No. 499 and 1928	183
Immediately upon recess for Caucus	INSURANCE to consider House Bill No. 1883	170

WEDNESDAY, MARCH 31, 1976

10:00 A.M. BUSINESS AND COMMERCE
to consider Senate Bill No. 1415

169

ANNOUNCEMENT BY THE CHAIR

The PRESIDENT pro tempore. Before we adjourn, I would like to remind the Senators in their offices that

we are going to have the official picture taken tomorrow at 1:30 p.m.

ADJOURNMENT

Senator NOLAN. Mr. President, I move that the Senate do now adjourn until Tuesday, March 30, 1976, at 1:00 p.m., Eastern Standard Time.

The motion was agreed to.

The Senate adjourned at 6:50 p.m., Eastern Standard Time.