

COMMONWEALTH OF PENNSYLVANIA

Legislative Journal

WEDNESDAY, JUNE 16, 1999

SESSION OF 1999

183RD OF THE GENERAL ASSEMBLY

No. 36

SENATE

WEDNESDAY, June 16, 1999

The Senate met at 11 a.m., Eastern Daylight Saving Time.

The PRESIDENT (Lieutenant Governor Mark S. Schweiker) in the Chair.

PRAYER

The following prayer was offered by the Secretary of the Senate, Hon. MARK R. CORRIGAN:

Eternal and ever living God, our source of all love, strength, and mercy, pour down Your spirit upon the Members and staff of this Senate of Pennsylvania. Bless us with the clear, open, and discerning minds to properly address the many issues confronting us today. May what is decided and enacted be in accordance with Your will and a credit to Your kingdom in this world. Amen.

JOURNAL APPROVED

The PRESIDENT. A quorum of the Senate being present, the Clerk will read the Journal of the preceding Session of June 15, 1999.

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

COMMUNICATIONS FROM THE GOVERNOR

APPROVAL OF SENATE BILL

The PRESIDENT laid before the Senate communication in writing from His Excellency, the Governor of the Commonwealth, advising that the following Senate Bill had been approved and signed by the Governor:

SB 832.

RECALL COMMUNICATION REFERRED TO COMMITTEE

The PRESIDENT laid before the Senate the following communication in writing from His Excellency, the Governor of the Commonwealth, which was read as follows and referred to the Committee on Rules and Executive Nominations:

MEMBER OF THE PENNSYLVANIA LABOR RELATIONS BOARD

June 16, 1999

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

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated June 4, 1999 for the appointment of Christ J. Zervanos, 709 Hampton Court Road, Harrisburg 17112, Dauphin County, Fifteenth Senatorial District, for appointment as a member of the Pennsylvania Labor Relations Board, to serve until June 2, 2005 and until his successor is appointed and qualified, vice Edward G. Feehan, Levittown, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

THOMAS J. RIDGE Governor

SPECIAL ORDER OF BUSINESS ANNOUNCEMENTS BY THE SECRETARY

The SECRETARY. Consent has been given for the Committee on Intergovernmental Affairs to meet during today's Session to consider House Resolution No. 182; also the Committee on Urban Affairs and Housing to consider Senate Bill No. 997.

REPORTS FROM COMMITTEES

Senator MURPHY, from the Committee on Aging and Youth, reported the following bills:

SB 765 (Pr. No. 1233) (Amended)

An Act establishing the Youth Development Fund; providing for powers and duties of the Secretary of Community and Economic Development; providing for grants; requiring certain reports; and making an appropriation.

HB 518 (Pr. No. 1040)

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, providing for face-to-face contact for high risk abused children.

Senator LOEPER, from the Committee on Rules and Executive Nominations, reported the following bill:

**SB 366 (Pr. No. 1234) (Amended) (Rereported) (Concurrence)**

An Act amending the act of August 9, 1955 (P.L.323, No.130), entitled The County Code, further providing for the definition of "county" for authorization of excise tax; authorizing the imposition of hotel taxes; authorizing counties of the first class to impose an excise tax on vehicle rentals; and providing for establishment of a commission on the status of women.

**RESOLUTION REPORTED FROM COMMITTEE**

Senator LOEPER, from the Committee on Rules and Executive Nominations, reported the following resolution:

**SR 90 (Pr. No. 1224)**

A Resolution designating September 25, 1999, as "Unity Day" in Pennsylvania.

The PRESIDENT. The resolution will be placed on the Calendar.

**LEGISLATIVE LEAVES**

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I request legislative leaves for Senator Corman and Senator Helfrick.

The PRESIDENT. Senator Loeper requests legislative leaves for Senator Corman and Senator Helfrick. Without objection, those leaves are granted.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 1**

**SENATE CONCURS IN HOUSE AMENDMENTS**

**SB 366 (Pr. No. 1234)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of August 9, 1955 (P.L.323, No.130), entitled The County Code, further providing for the definition of "county" for authorization of excise tax; authorizing the imposition of hotel taxes; authorizing counties of the first class to impose an excise tax on vehicle rentals; and providing for establishment of a commission on the status of women.

On the question,  
Will the Senate concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 366?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 366.

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

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

YEA-44

Armstrong	Hart	Mowery	Stapleton
Bell	Helfrick	Murphy	Stout
Bodack	Holl	Musto	Tartaglione

Brightbill	Hughes	OPake	Thompson
Conti	Jubelirer	Piccola	Tomlinson
Corman	Kitchen	Punt	Wagner
Costa	Kukovich	Rhoades	Waugh
Earll	Lenmond	Robbins	Wenger
Fumo	Loeper	Salvatore	White
Gerlach	Madigan	Schwartz	Williams
Greenleaf	Mellow	Slocum	Wozniak

NAY-6

Belan	Dent	LaValle
Boscola	Kasunic	Tilghman

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**LEGISLATIVE LEAVE CANCELLED**

The PRESIDENT. Senator Corman has returned from legislative leave, and that leave is cancelled.

**SPECIAL ORDER OF BUSINESS  
GUESTS OF SENATOR GIBSON E.  
ARMSTRONG AND SENATOR NOAH W.  
WENGER PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Mr. President, Senator Wenger and I have a guest Page with us this afternoon, Alan Kirchner, Jr., who attends Conestoga Valley High School. He is 16 years old and very much wants to go to the U.S. Naval Academy, and after that he wants to join the Marine Corps, and also get involved in political science as his major. I think he has a good career path outlined for him, and I wish him every success.

Alan has been very active in Scouting and has attended international jamborees as far away as Chile. I ask the Senate to welcome our guest Page today.

The PRESIDENT. Would our guest Page please rise so that the Senate may welcome you.

(Applause.)

**SPECIAL ORDER OF BUSINESS  
ANNOUNCEMENTS BY THE SECRETARY**

The SECRETARY. Consent has also been given for the Committee on Public Health and Welfare to meet during today's Session to consider Senate Bills No. 670 and 672, and also the Committee on Appropriations to consider House Bill No. 963.

**RECESS**

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, at this time I request a recess of the Senate, first for a meeting of the Committee on Appropriations to take place immediately in the Rules room at the rear of the Senate Chamber, to be followed by a meeting of the Committee on Public Health and Welfare in the Rules room, and then a Republican caucus. I ask all Republican Members,

immediately upon the adjournment of those committee meetings, to report to the first floor caucus room, with an expectation of returning to the floor as soon as we can after that.

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Mellow.

Senator MELLOW. Mr. President, upon the conclusion of the committee meetings, I request the Democrats report to the fourth floor, Room 461, for a caucus.

The PRESIDENT. For a series of meetings, namely meetings of the Committee on Appropriations and the Committee on Public Health and Welfare, to be held in the Rules room, followed by Republican and Democratic caucuses, this Senate stands in recess.

**AFTER RECESS**

The PRESIDENT. The time of recess having expired, the Senate will come to order.

**REPORT FROM COMMITTEE**

Senator TILGHMAN, from the Committee on Appropriations, reported the following bill:

**HB 963 (Pr. No. 2108) (Amended) (Rereported)**

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for deposits in the Judicial Computer System Augmentation Account and for sentencing procedure for murder of the first degree.

**LEGISLATIVE LEAVES**

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I request a temporary Capitol leave on behalf of Senator Salvatore.

The PRESIDENT. Without objection, that leave is granted.

The Chair recognizes the gentleman from Allegheny, Senator Bodack.

Senator BODACK. Mr. President, I request temporary Capitol leaves for Senator Musto and Senator Stapleton.

The PRESIDENT. Without objection, those leaves are granted.

**LEAVE OF ABSENCE**

Senator LOEPER asked and obtained a leave of absence for Senator CONTI, for today's Session, for personal reasons.

**CALENDAR**

**THIRD CONSIDERATION CALENDAR**

**BILL REREPORTED FROM COMMITTEE AS AMENDED ON THIRD CONSIDERATION AND FINAL PASSAGE**

**HB 371 (Pr. No. 2058)** – The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 15, 1976 (P.L.1036, No.208), known as the Volunteer Fire Company, Ambulance Service and Rescue

Squad Assistance Act, adding a definition; and further providing for assistance to volunteer fire companies.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

Ordered, That the Secretary of the Senate 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 REREPORTED FROM COMMITTEE AS AMENDED OVER IN ORDER**

**SB 1002** – Without objection, the bill was passed over in its order at the request of Senator LOEPER.

**BILL ON THIRD CONSIDERATION AND FINAL PASSAGE**

**HB 17 (Pr. No. 1961)** – The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, further providing for State-aid to local libraries and library systems.

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:

YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

NAY-0

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

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

BILL OVER IN ORDER

**HB 76** -- Without objection, the bill was passed over in its order at the request of Senator LOEPER.

BILL AMENDED

**HB 157 (Pr. No. 1806)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, further providing for supervisors and for auditor's compensation.

On the question,

Will the Senate agree to the bill on third consideration?

Senator LOEPER offered the following amendment No. A3012:

Amend Title, page 1, lines 4 and 5, by striking out "FOR SUPERVISORS AND"

Amend Bill, page 1, lines 11 through 17; page 2, lines 1 through 3, by striking out all of said lines on said pages and inserting:

Section 1. Section 902 of the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, reenacted and amended November 9, 1995 (P.L.350, No.60), is amended to read:

Amend Sec. 3, page 2, line 30, by striking out "3" and inserting:  
2

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 LOEPER.

BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE

**HB 197 (Pr. No. 188)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of May 21, 1943 (P.L.571, No.254), known as The Fourth to Eighth Class County Assessment Law, further providing for the valuation of persons and property.

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:

YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

NAY-0

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

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

BILLS OVER IN ORDER

**SB 234** and **SB 260** -- Without objection, the bills were passed over in their order at the request of Senator LOEPER.

BILLS AMENDED

**SB 262 (Pr. No. 264)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for obscene and other sexual materials and performances.

On the question,

Will the Senate agree to the bill on third consideration?

Senator BODACK offered the following amendment No. A2765:

Amend Preamble, page 2, line 21, by inserting after "States": and section 7 of Article I of the Constitution of Pennsylvania

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 LOEPER.

**HB 314 (Pr. No. 321) --** The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 1 (Military Affairs) of the Pennsylvania Consolidated Statutes, further providing for the State Veterans' Commission.

On the question,

Will the Senate agree to the bill on third consideration?

Senator SLOCUM offered the following amendment No. A2036:

Amend Title, page 1, line 3, by removing the period after "Commission" and inserting: and for the Pennsylvania Veterans' Memorial Commission.

Amend Sec. 1, page 1, line 6, by striking out "Section 1702" and inserting: Sections 1702 and 1906

Amend Sec. 1, page 1, line 7, by striking out "is" and inserting: are

Amend Sec. 1, page 3, by inserting between lines 20 and 21:

§ 1906. Expiration of chapter.

This chapter shall expire June 30, [1999] 2003.

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 LOEPER.

**BILL ON THIRD CONSIDERATION AND FINAL PASSAGE**

**SB 456 (Pr. No. 1166) --** The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 30 (Fish) of the Pennsylvania Consolidated Statutes, further providing for the qualifications and appointment of deputy waterways conservation officers; authorizing certain cooperative agreements; further providing for changes in grading of certain offenses, for increased fines for certain convictions, for violations of regulations and permits, for acknowledgment of guilt, for disposition of nonresident offenders and for issuing agents; prohibiting the sales of certain fish, reptiles and amphibians; and further providing for the grading of and penalties for violations relating to boating registration, identification, issuing agents and accident reports.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White

Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**BILL OVER IN ORDER TEMPORARILY**

**HB 456 --** Without objection, the bill was passed over in its order temporarily at the request of Senator LOEPER.

**BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE**

**HB 528 (Pr. No. 1663) --** The Senate proceeded to consideration of the bill, entitled:

An Act reenacting the act of July 5, 1989 (P.L.166, No.31), known as the Phosphate Detergent Act, making editorial changes and eliminating sunset provisions.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**SB 706 (Pr. No. 766) --** The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 28, 1953 (P.L.723, No. 230), entitled, as amended, Second Class County Code, providing for an operating reserve fund.

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:

YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

NAY-0

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

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

SB 769 (Pr. No. 1232) -- The Senate proceeded to consideration of the bill, entitled:

An Act authorizing the Department of Community and Economic Development to establish a program for continuing education of qualified tax collectors.

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:

YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

NAY-0

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

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

HB 773 (Pr. No. 2027) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, further providing for definitions and for funds for payment; and making a repeal.

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

MOTION TO REVERT TO PRIOR PRINTER'S No.

The PRESIDENT. The Chair recognizes the gentlewoman from Philadelphia, Senator Tartaglione.

Senator TARTAGLIONE. Mr. President, I move that we revert to prior Printer's No. 1665 on House Bill No. 773.

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

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I ask for a negative vote on the motion to revert.

The PRESIDENT. The Chair recognizes the gentlewoman from Philadelphia, Senator Tartaglione.

Senator TARTAGLIONE. Mr. President, on Monday of this week in the Senate Committee on Aging and Youth, an amendment was placed in House Bill No. 773 that gutted the bill and removed some very important language, language that the Members of the House of Representatives agreed upon and passed in their Chamber 199 to 0. Mr. President, for months the Democrats in both the House of Representatives and here in the Senate have been calling for the repeal of the PACENET portion of our senior citizen prescription program. We have been saying that PACENET does not do what we originally intended it to do. It has not been serving the numbers of seniors we originally thought it would serve. And, Mr. President, the co-pay levied upon those who do qualify is too burdensome.

By our calculations, the actual number of enrollees in PACENET is 16,000, far short of the administration's projected enrollment of 49,000. We believe that the actual number of those actually receiving benefits is even lower, around 10,000. Under Printer's No. 1665, House Bill No. 773 would raise the income limits for PACE by \$2,000, from \$14,000 to \$16,000 for single adults, and from \$17,200 to \$19,200 for married couples. This means that people who now qualify for PACENET, with its \$500 deductible and higher co-payments, can now qualify for regular PACE instead and enjoy a \$6 co-pay and no deductible. We can continue to debate the numbers, but the simple truth is that PACENET is not working.

Mr. President, House Bill No. 773 as it now reads is a duplicate of Senate Bill No. 886, which this body passed on June 9. We do not need two identical bills. We need one that repeals the PACENET program, and we need to get on with the business of serving our senior citizens and their prescription needs.

Mr. President, I ask for an affirmative vote.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Murphy.

Senator MURPHY. Mr. President, I would like to ask for a negative vote, but I certainly commend the commitment of the Minority chair of the Committee on Aging and Youth, the Senator from Philadelphia who just spoke, but as chairman of the committee, when we moved to remove that section from the bill, it was done for good reason. What was not done was a difference of opinion in our compassion for senior citizens. I believe there was no question of our mutual support, admiration, and commitment to help seniors in this Commonwealth. That is the basis for the reason why so many seniors continue to stay in Pennsylvania, retire in Pennsylvania, and even if they leave this Commonwealth, return to Pennsylvania after age 80 or so, to a large extent because Pennsylvania has perhaps the best benefits for senior citizens in the nation. Some \$600-plus million a year are offered in benefits to our seniors, and we are proud and pleased to do so.

Certainly, I have no argument with regard to the issue of do we need to do some things with the PACENET program in helping those who are dealing with illnesses and having to spend money on drugs to find some means by which to pay for these. It is a troubling issue, particularly those who may face catastrophic medical circumstances. However, the situation is this: According to the estimates I received from the Department of Aging, the projected net cost of doing this in the first year is \$35 million, and the Department of Aging expects there to be an increase of this in the next year of \$7 million. It is unknown what this would be in subsequent years. This does not include the accompanying administrative costs, approximately a half-million to three-quarters of a million dollars. It does not include the impact of the increase in drug costs and drug utilization which have increased dramatically over the past few years, and we fully expect will continue to do so. Some of this is attributed to the direct marketing and advertising by manufacturing companies to senior citizens and other citizens.

It also does not include the costs that will be felt when the Medicare-certified HMOs no longer offer prescription coverage at the end of this Medicare fiscal year, which is the end of July. Because these seniors will no longer have prescription coverage through their Medicare HMO, many will be eligible for PACE, and the probable enrollee increase is currently expected at 41 percent of those eligible. This also does not take into account the closing gap in cost between generic and brand name drugs.

Further, we have to acknowledge that on any given day in the Commonwealth of Pennsylvania, there are approximately 10,000 senior citizens on the waiting list for services who cannot receive those services now because the Lottery Fund simply does not have the means to do so. Now one might argue why not use the General Fund to pay for this instead of the Lottery Fund. That is in part because we have already spent, as I said before,

some \$600 million on senior programs, and that comes from the Lottery Fund, the fund dedicated towards that. If we shift it to the General Fund at this point and make this an ongoing appropriation, during these times when we may have some money is one thing, but to do this as a permanent issue, I would much rather we study this more carefully.

As I brought up in our committee meeting the other day, I am committed to reviewing this, and I know there is a study that will be done in Pennsylvania and another State to look at alternate ways of funding the prescription drug program for senior citizens, and we will continue to do that. And as I shared with the Minority chair of the committee and with other Members there, we will pursue this, and as that information comes through, we will make that information available so we can try to craft some answer to it at that time. But I ask, given these figures and where things stand now, until such time as we have that information, I ask that we hold off on doing this. As popular as it may seem, I am concerned that what we may end up doing is breaking the bank of the Lottery Fund at this time, and not being able to patch it up after that.

The PRESIDENT. The Chair recognizes the gentlewoman from Philadelphia, Senator Schwartz.

Senator SCHWARTZ. Mr. President, I appreciate the remarks of the previous speaker and certainly his commitment to seniors and admiration for seniors. It is very important for all of us to express those feelings, but it is more important for us to act on them, and I hope that the Majority chair of the committee would actually take seriously the fact that the PACENET program has not been successful. And I understand that it was certainly a well-intentioned effort to try to bring the PACE program to a new group of seniors in this Commonwealth, but I think everyone at this point agrees that it has not worked and that we should instead dedicate the money that we expected to spend on PACENET to expand the PACE program.

The cost of medications to seniors, actually the cost of medications to many of us, but particularly to our older citizens who often have multiple illnesses and medications to take care of, is extraordinary, and we are fortunate in Pennsylvania to have the PACE program. But the fact that we can, we could, and we should extend the PACE program to an additional group of seniors that we attempted to under PACENET, that it is not bringing in the kinds of numbers that we had hoped is a disappointment that we should turn into an effective program.

I have had some conversations with the Majority chair of the Committee on Aging and Youth, and he wanted to look at all of this. I said I do not think this should take a lot of examination when we have a program that has worked so well called PACE, and what we should do is expand eligibility for the PACE program, not come up with a new complicated program that creates new bureaucracy and new hoops for the seniors to go through in order to be able to get some benefits from the PACE program. And unfortunately, that is what PACENET did. It was really unreasonable to expect seniors to go through the kind of paperwork of keeping paper on \$500 worth of deductibles to go through this and be eligible at that point for PACE. It was not meeting a need that we can meet.

We could revert to the prior printer's number. We could proceed with the expansion of PACE to seniors. We are talking about annual income levels of \$20,000, \$21,000. If the other side of the aisle is concerned about the cost, about the Lottery not bringing in enough money, what we do know about these programs is that it does take a while to get them up and running, to communicate that message to seniors. It is unlikely we would see even the kind of enrollment in the first year that we would hope to, so there would be a time to evolve into this program and be able to make sure that we had the funds to meet this program.

I would say we should respond to the interests of our colleagues in the House. This was passed by a very wide margin by Republicans and Democrats in the House. We should respond to the reality that in too many of our seniors' lives, they do not have enough money to pay for medication that they need to live a healthy life. We have a wonderful program in Pennsylvania, we ought to extend it to more seniors. We are still looking at seniors with fairly modest incomes here, Mr. President, and we ought to make this, I was going to say a gesture, but it makes it sound too frivolous because it is not.

We should extend this program to more seniors. We are talking about another 10,000 or 20,000 or 30,000 seniors whose lives could well be changed dramatically for the positive by our doing this. If it does not pass this evening, and I do hope for an affirmative vote, I hope that we can convert that rhetoric about how much we care about our seniors to actually making a real difference in their lives.

Thank you, Mr. President.

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

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

#### YEA-20

Belan	Hughes	Mellow	Stout
Bodack	Kasunic	Musto	Tartaglione
Boscola	Kitchen	O'Pake	Wagner
Costa	Kukovich	Schwartz	Williams
Fumo	LaValle	Stapleton	Wozniak

#### NAY-29

Armstrong	Hart	Murphy	Tilghman
Bell	Helfrick	Piccola	Tomlinson
Brightbill	Holl	Punt	Waugh
Corman	Jubelirer	Rhoades	Wenger
Dent	Lemmond	Robbins	White
Earll	Loeper	Salvatore	
Gerlach	Madigan	Slocum	
Greenleaf	Mowery	Thompson	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,  
Will the Senate agree to the bill on third consideration?  
It was 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:

#### YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

#### NAY-0

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

Ordered, That the Secretary of the Senate 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 AMENDED

**HB 779 (Pr. No. 990)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for police animals; and providing penalties.

On the question,  
Will the Senate agree to the bill on third consideration?  
Senator WENGER offered the following amendment No. A3009:

Amend Sec. 1 (Sec. 5511.2), page 2, line 21, by striking out "correctional"

Amend Sec. 1 (Sec. 5511.2), page 2, line 21, by inserting after "facility": or office

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 LOEPER.

#### BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

**SB 818 (Pr. No. 1184)** -- The Senate proceeded to consideration of the bill, entitled:

An Act regulating certain transfers of structured settlement payments.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lenmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**BILL OVER IN ORDER TEMPORARILY**

**SB 839** -- Without objection, the bill was passed over in its  
order temporarily at the request of Senator LOEPER.

**BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE**

**HB 979 (Pr. No. 1891)** -- The Senate proceeded to consider-  
ation of the bill, entitled:

An Act amending the act of June 26, 1931 (P.L.1379, No.348),  
referred to as the Third Class County Assessment Board Law, further  
providing for auxiliary appeal boards.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner

Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lenmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**BILL OVER IN ORDER**

**SB 1001** -- Without objection, the bill was passed over in its  
order at the request of Senator LOEPER.

**BILL OVER IN ORDER TEMPORARILY**

**SB 1004** -- Without objection, the bill was passed over in its  
order temporarily at the request of Senator LOEPER.

**SPECIAL ORDER OF BUSINESS  
ANNOUNCEMENT BY THE SECRETARY**

The SECRETARY. Consent has been given for the Commit-  
tee on Rules and Executive Nominations to meet to consider the  
following Senate Bills: 3, 365, 852, and certain nominations.

**RECESS**

The PRESIDENT. The Chair recognizes the gentleman from  
Delaware, Senator Loeper.

Senator LOEPER. Mr. President, at this time I ask for a re-  
cess of the Senate for the purpose of a meeting of the Committee  
on Rules and Executive Nominations to take place immediately  
in the Rules room at the rear of the Senate Chamber.

The PRESIDENT. For a meeting of the Committee on Rules  
and Executive Nominations to begin immediately, the Senate  
stands in recess.

**AFTER RECESS**

The PRESIDENT pro tempore (Robert C. Jubelirer) in  
the Chair.

The PRESIDENT pro tempore. The time of recess having  
expired, the Senate will come to order.

**THIRD CONSIDERATION CALENDAR RESUMED**

**BILL AMENDED**

**HB 1331 (Pr. No. 2032)** -- The Senate proceeded to consid-  
eration of the bill, entitled:

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, providing for supply choice for customers of natural gas utilities and for restructuring of the natural gas utility industry and for utility industry restructuring.

On the question,

Will the Senate agree to the bill on third consideration?

#### PICCOLA AMENDMENT A2822

Senator PICCOLA offered the following amendment No. A2822:

Amend Title, page 1, lines 6 and 7, by striking out "AND FOR UTILITY INDUSTRY RESTRUCTURING." and inserting: ; and making repeals.

Amend Bill, page 2, lines 3 through 30; pages 3 through 55, lines 1 through 30; page 56, lines 1 through 13, by striking out all of said lines on said pages and inserting:

Section 1. Section 102 of Title 66 of the Pennsylvania Consolidated Statutes is amended by adding a definition to read:

§ 102. Definitions.

Subject to additional definitions contained in subsequent provisions of this part which are applicable to specific provisions of this part, the following words and phrases when used in this part shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

"City natural gas distribution operation." A collection of real and personal assets used for distributing natural gas to retail gas customers owned by a city or a municipal authority, nonprofit corporation or public corporation formed pursuant to section 2212(m) (relating to city natural gas distribution operations).

\*\*\*

Section 2. Sections 1307(f) and (g), 1317 and 1318 of Title 66 are amended to read:

§ 1307. Sliding scale of rates; adjustments.

\*\*\*

(f) Recovery of natural gas costs.—

(1) Natural gas [distributors] distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate annual operating revenues in excess of \$40,000,000 may file tariffs reflecting actual and projected increases or decreases in their natural gas costs and the tariffs shall have an effective date six months from the date of filing. The commission shall promulgate regulations establishing the time and manner of such filing, but, except for adjustments pursuant to a tariff mechanism authorized in this title, no such natural gas [utility] distribution company shall voluntarily file more than one such tariff in a 12-month period: Provided, That [nothing]:

(i) Nothing contained herein shall prohibit any party from advising the commission that there has been or there is anticipated to be a significant difference between the natural gas costs to the [utility] natural gas distribution company and the costs reflected in the then effective tariff or the commission from acting upon such advice.

(ii) A natural gas distribution company may also file a tariff to establish a mechanism by which such natural gas distribution company may further adjust its rates for natural gas sales on a regular, but no more frequent than monthly, basis to reflect actual or projected changes in natural gas costs reflected in rates established pursuant to paragraph (2), subject to annual reconciliation under paragraph (5). In the event that the natural gas distribution company adjusts rates more frequently than quarterly, it shall also offer retail gas customers a fixed rate option which recovers natural gas costs over a 12-month period, subject to annual reconciliation under paragraph (5). The commission shall, within 60 days of the effective date of this subparagraph, promulgate rules or regulations governing such adjustments and fixed rate option, but the commission shall not prohibit such adjustments or fixed rate option.

(2) The commission shall conduct an investigation and hold a hearing or hearings, with notice, to [investigate] review the tariffs and consider the plans filed pursuant to section 1317 (relating to regulations of natural gas costs). Where there has been an indication of consumer interest, the hearing shall be held in the service territory of the natural gas [distributor] distribution company. Prior to the effective date of the filing, the commission shall issue an order establishing the rate to be charged to reflect such [increases or decreases] changes in natural gas costs. [Rates established under this subsection do not constitute either a sliding scale of rates or an automatic adjustment subject to the prohibitions in subsections (a) and (b).] The commission shall annually review and approve plans for purposes of reliability and supply. Such rates, however, are subject to the [kinds] types of audits, reports and proceedings required by subsection (d).

(3) Within 60 days following the end of such 12-month period as the commission shall designate, each [public utility] natural gas distribution company subject to this subsection shall file with the commission a statement which specifies for such period:

(i) The total revenues received pursuant to this section.

(ii) The total [gas expense] natural gas costs incurred.

(iii) The difference between the amounts specified by subparagraphs (i) and (ii).

(iv) [Evidence explaining how actual] How actual natural gas costs incurred differ from the natural gas costs allowed under paragraph (2) and why such differences occurred.

(v) How these natural gas costs are consistent with a least cost procurement policy as required by section 1318 (relating to determination of just and reasonable [natural] gas cost rates). Such report shall be a matter of public record and copies thereof shall be made available by the [gas distributor] natural gas distribution company to any person upon request. Copies of the reports shall be filed with the Office of Consumer Advocate and the Office of Small Business Advocate at the same time as they are filed with the commission.

(4) The commission shall hold a public hearing on the substance of such statement submitted by a [utility] natural gas distribution company as required in paragraph (3) and on any related matters.

(5) The commission, after hearing, shall determine the portion of the [companies] company's natural gas distribution actual natural gas costs in the previous 12-month period which meet the standards set out in section 1318. The commission shall, by order, direct each [gas utility] natural gas distribution company subject to this subsection to refund to its [patrons any] customers gas revenues collected pursuant to paragraph (2) which exceed the amount of actual [gas expenses] natural gas costs incurred consistent with the standards in section 1318 and to recover from its [patrons] customers any amount by which the actual [gas expenses] natural gas costs, which have been incurred consistent with the standards in section 1318, exceed the revenues collected pursuant to paragraph (2). Absent good reason to the contrary, the commission shall issue its order within six months following the filing of the statement described in paragraph (3). Refunds to [patrons] customers shall be made with interest, [which shall be the average rate of interest specified for residential mortgage lending by the Secretary of Banking in accordance with the act of January 30, 1974 (P.L.13, No.6), referred to as the Loan Interest and Protection Law,] at the legal rate of interest plus two percent, during the period or periods for which the commission orders refunds[.], and recoveries from customers shall include interest at the legal rate of interest: Provided, That nothing contained herein shall limit the applicability of any defenses, principles or doctrines which would prohibit the commission's inquiry into any matters that were decided finally in the commission's order issued under paragraph (2).

(6) The commission shall require that customers transferring from sales to transportation service be subject to the over or under collection adjustment provided for in paragraph (5) and shall require further that customers transferring from transportation service to sales service not be subject to the over or under collection adjustment for an appropriate period following either such transfer.

(g) Definition.—As used in this section, [the term "natural gas" includes natural gas, liquefied natural gas, synthetic natural gas and any natural gas substitutes.] the terms "natural gas costs" and "gas

costs" include the direct costs paid by a natural gas distribution company for the purchase and the delivery of natural gas to its system in order to supply its customers. Such costs may include costs paid under agreements to purchase natural gas from sellers; costs paid for transporting natural gas to its system; costs paid for natural gas storage service from others, including the costs of injecting and withdrawing natural gas from storage; all charges, fees, taxes and rates paid in connection with such purchases, pipeline gathering, storage and transportation; and costs paid for employing futures, options and other risk management tools. "Natural gas" and "gas" include natural gas, liquified natural gas, synthetic natural gas and any natural gas substitutes.

§ 1317. Regulation of natural gas costs.

(a) General rule.—In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates, adjustments), each such utility shall be required to [provide] supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

- (1) The utility's participation in rate proceedings before the Federal Energy Regulatory Commission which affect the utility's gas costs.
- (2) The utility's efforts to negotiate favorable contracts with gas suppliers and to renegotiate existing contracts with gas suppliers or take legal actions necessary to relieve the utility from existing contract terms which are or may be adverse to the interests of the utility's ratepayers.
- (3) The utility's efforts to secure lower cost gas supplies both within and outside of the Commonwealth, including the use of transportation arrangements with pipelines and other gas distribution companies.

(4) The sources and amounts of all gas supplies which have been withheld or have been caused to be withheld from the market by the utility and the reasons why such gas is not to be utilized.

(b) Integrated gas companies.—In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

- (1) Efforts made by the utility to obtain gas supplies from nonaffiliated interests.
- (2) The specific reasons why the utility has purchased gas supplies from an affiliated interest and demonstration that such purchases are consistent with a least cost fuel procurement policy.
- (3) The sources and amounts of all gas supplies which have been withheld from the market by the utility or any affiliated interest and the reasons why such gas is not being utilized.

(c) Reliability plans.—As part of its filing under section 1307(f) or if it is not required to make such a filing on an annual basis, a natural gas distribution company, as defined in section 2202 (relating to definitions), shall file a proposed reliability plan with the commission which shall, at a minimum, identify the following:

- (1) The projected peak day and seasonal requirements of the firm customers utilizing the distribution system of the natural gas distribution company during the 12-month projected period specified in section 1307(f)(1). Where operationally required, the design peak day requirements shall be specified for discrete segments of each natural gas distribution system.
- (2) The transportation capacity, storage, peaking or on system production that ensures deliverability of the natural gas supplies necessary to meet such projected period peak day and seasonal requirements.

(d) Supply plans.—As part of its filing under section 1307(f), a natural gas distribution company shall file a proposed plan with the commission for acquisition or receipt of natural gas supplies.

[(c)] (e) Definition.—As used in this section, the [term "natural gas" includes natural gas, liquified natural gas, synthetic natural gas and any natural gas substitutes] terms "natural gas costs," "gas costs," "natural gas" and "gas" shall have the same definitions as provided in section 1307(g).

§ 1318. Determination of just and reasonable [natural] gas cost rates.

(a) General rule.—In establishing just and reasonable rates for those natural gas distribution [utilities] companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

- (1) The utility has fully and vigorously represented the interests of its ratepayers in proceedings before the Federal Energy Regulatory Commission.
- (2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.
- (3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.

(4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(b) Limitation on gas purchased from affiliates.—In any instance in which a natural gas distribution [utility] company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

- (1) That the utility has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests.
- (2) That each contract for the purchase of gas from its affiliated interest is consistent with a least cost fuel procurement policy.
- (3) That neither the utility nor its affiliated interest has withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(c) Shut-in gas; special rule.—In determining whether a gas utility has purchased the least costly natural gas available, the commission shall consider as available to the utility any gas supplies that reasonably could have been brought to market during the relevant period but which were voluntarily withheld from the market by the utility or an affiliated interest of the utility.

(d) Other regulatory approvals.—The fact that a contract or rate has been approved by a Federal regulatory agency for interstate ratemaking purposes shall not, in and of itself, be adequate to satisfy the utility's burden of proof that gas prices and volumes associated with such contract or rate are just and reasonable for purposes of this section.

(e) Reports.—Each natural gas distribution utility with gross intrastate annual operating revenues in excess of \$40,000,000 shall file with the commission [and], the Office of Consumer Advocate and the Office of Small Business Advocate, in accordance with regulations to be prescribed by the commission, quarterly reports setting forth the actual gas costs incurred by the utility on a monthly basis. Actual gas

costs shall be reviewed for their accuracy by the Bureau of Audits at least annually and the results of that review shall be submitted to the commission.

(f) Definition.—As used in this section, the [term includes natural gas, liquefied natural gas, synthetic natural gas and any natural gas substitutes.] terms "natural gas," "natural gas costs," "gas costs," and "gas" shall have the same definitions as provided in section 1307(g).

Section 3. Subpart D of Part I of Title 66 is amended by adding a chapter to read:

CHAPTER 22  
NATURAL GAS COMPETITION

Sec.

2201. Short title of chapter.

2202. Definitions.

2203. Standards for restructuring of natural gas utility industry.

2204. Implementation.

2205. Duties of natural gas distribution companies.

2206. Consumer protections and customer service.

2207. Obligation to serve.

2208. Requirements for natural gas suppliers.

2209. Market power remediation.

2210. Approval of proposed mergers, consolidations, acquisitions or dispositions.

2211. Rate caps.

2212. City natural gas distribution operations.

§ 2201. Short title of chapter.

This chapter shall be known and may be cited as the Natural Gas Choice and Competition Act.

§ 2202. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Consumer protection." The standards, practices and service protections for retail gas customers, including those provided for in 52 Pa. Code Ch. 56 (relating to standards and billing practices for residential utility service), as well as applicable Federal and State debt/credit collection statutes and any regulations or orders of the commission that provide such protections, as may be modified by the commission from time to time.

"Entity." A person or corporation as defined in section 102 (relating to definitions) including, for purposes of this chapter, a city natural gas distribution operation.

"Local commission." The local body or agency designated under applicable law as responsible for setting the rates and charges of a city natural gas distribution operation immediately prior to the date the commission assumes jurisdiction over the city natural gas distribution operation.

"Natural gas distribution company." A public utility or city natural gas distribution operation that provides natural gas distribution services and which may provide natural gas supply services and other services. For purposes of this chapter, this term does not include:

(1) any public utility subject to the jurisdiction of the commission which has annual gas operating revenues of less than \$6,000,000 per year, except where the public utility voluntarily petitions the commission to be included within this definition or where the public utility seeks to provide natural gas supply services to retail gas customers outside its service territory; or

(2) any natural gas public utility subject to the jurisdiction of the commission that is not interconnected to an interstate gas pipeline by means of a direct connection or an indirect connection through the distribution system of another natural gas public utility or through a natural gas gathering system.

"Natural gas distribution service." The delivery of natural gas to retail gas customers utilizing the jurisdictional facilities of the natural gas distribution company.

"Natural gas supplier." An entity other than a natural gas distribution company, but including natural gas distribution company marketing affiliates, which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of a natural gas distribution company. The term includes a natural gas distribution company

that provides natural gas supply services outside its certificated service territories. The term includes a municipal corporation, its affiliates or any joint venture, to the extent that it chooses to provide natural gas supply services to retail customers located outside of its corporate or municipal limits, as applicable, other than:

(i) as provided prior to the effective date of this chapter, pursuant to a certificate of public convenience if required under this title;

(ii) total natural gas supply services in de minimis amounts;

(iii) natural gas supply services requested by, or provided with the consent of, the public utility in whose certificated territory the services are provided; or

(iv) natural gas supply services provided to the municipal corporation itself or its tenants on land it owns or leases, or is subject to an agreement of sale or pending condemnation, as of September 1, 1999, to the extent permitted by applicable law independent of this chapter.

The term excludes an entity to the extent that it provides free gas to end-users under the terms of an oil or gas lease. Notwithstanding any other provision of this title, a natural gas supplier that is not a natural gas distribution company is not a public utility as defined in section 102 (relating to definitions) to the extent that the natural gas supplier is utilizing the jurisdictional distribution facilities of a natural gas distribution company or is providing other services authorized by the commission.

"Natural gas supply services."

(1) The term includes:

(i) The sale or arrangement of the sale of natural gas to retail gas customers; and

(ii) services that may be unbundled by the commission under section 2203(3) (relating to standards for restructuring of natural gas utility industry).

(2) The term does not include distribution service.

"Reliability." The term comprises adequacy and security. The term "adequacy" means the provision of sufficient volumes and deliverability of natural gas so as to supply the requirements of retail gas customers, taking into account peak and seasonal demands, as well as isolated market areas and system operation contingencies. The term "security" means designing, maintaining and operating a system so that it can safely handle extreme conditions, as well as emergencies.

"Retail gas customer." A direct purchaser of natural gas supply services or natural gas distribution services, other than a natural gas supplier. The term excludes an occupant of a building or facility where the owner/operators manage the internal distribution system serving such building or facility and supply natural gas and other related services to occupants of the building or facility; where such owner/operators are direct purchasers of natural gas supply service; and where the occupants are not direct purchasers.

"Universal service and energy conservation." Policies, practices and services that help residential low-income retail gas customers and other residential retail gas customers experiencing temporary emergencies, as defined by the commission, to maintain natural gas supply and distribution services. The term includes retail gas customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education.

§ 2203. Standards for restructuring of natural gas utility industry.

The following interdependent standards shall govern the commission's actions in adopting rules, orders or policies and in reviewing, assessing and approving each natural gas distribution company's restructuring filings and overseeing the transition process and regulation of the restructured natural gas utility industry:

(1) The commission shall adopt and enforce standards as necessary to ensure continuation of the safety and reliability of the natural gas supply and distribution service to all retail gas customers. In adopting the standards, the commission shall consider the absence of any applicable industry standards and practices or adopt standards in conformity with industry standards and practices meeting the standards of this chapter. The application of such standards shall be in a manner

that incorporates the operating requirements of the different natural gas distribution companies.

(2) Consistent with section 2204 (relating to implementation), the commission shall allow retail gas customers to choose among natural gas suppliers and natural gas distribution companies to the extent that they offer such natural gas supply services. Retail gas customers shall be able to choose from these suppliers a variety of products, including, but not limited to, different supply and pricing options, and services that evolve as the competitive marketplace matures. Neither any natural gas supplier nor any natural gas distribution company shall offer interruptible gas service to any essential human needs retail gas customer lacking installed and operable alternative fuel capability or to any residential retail gas customer.

(3) The commission shall require natural gas distribution companies to unbundle natural gas supply services such that separate charges for the services can be set forth in tariffs and on retail gas customers' bills. In its restructuring filing, the natural gas distribution company shall establish system reliability standards and capacity contract mitigation parameters and address the unbundling of commodity, capacity, storage, balancing and aggregator services. The commission may address the unbundling of other services only through a rulemaking. In conducting the rulemaking, the commission shall consider the impact of such unbundling on the labor force, the creation of stranded costs, safety, reliability, consumer protections, universal service and the potential for unbundling to offer savings, new products and additional choices or services to retail gas customers. The commission's decisions shall assure that standards and procedures for safety and reliability, consumer protections and universal service are maintained at levels consistent with this chapter.

(4) Consistent with the provisions of section 2204, the commission shall require that a natural gas distribution company that owns or operates jurisdictional distribution facilities shall provide distribution service to all retail gas customers in its service territory and to all natural gas suppliers, affiliated or nonaffiliated, on nondiscriminatory rates, terms of access and other conditions.

(5) The commission shall require that restructuring of the natural gas utility industry be implemented in a manner that does not unreasonably discriminate against one customer class for the benefit of another.

(6) After notice and hearings, the commission shall establish for each natural gas distribution company an appropriate nonbypassable, competitively neutral cost-recovery mechanism which is designed to recover fully the natural gas distribution company's universal service and energy conservation costs over the life of these programs. Except as provided in paragraph (10), policies, activities and services under this paragraph shall be funded and spent in each natural gas distribution company's service territory. Nothing in this chapter shall be construed to prohibit public funding or voluntary funding by third parties of a natural gas distribution company's universal service and energy conservation programs.

(7) The commission shall, at a minimum, continue the level and nature of the consumers protections, policies and services within its jurisdiction that are in existence as of the effective date of this chapter to assist low-income retail gas customers to afford natural gas services.

(8) The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each natural gas distribution service territory. The commission shall encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income retail gas customers to afford natural gas service. Programs under this paragraph shall be subject to the administrative oversight of the commission, which shall ensure that the programs are operated in a cost-effective manner.

(9) Each natural gas distribution company shall set forth in its restructuring filing an initial proposal to meet its universal service and energy conservation obligations.

(10) Consistent with paragraph (7), the commission shall convene a task force to review universal service programs and their funding. The task force shall issue a report to the commission by December 31, 1999, and annually thereafter. Recommendations regarding the use of

general State revenue shall be concurrently forwarded to the General Assembly.

(11) The commission shall continue to regulate rates for natural gas distribution services for new and existing retail gas customers in accordance with Chapter 13 (relating to rates and rate making) and this chapter.

(12) The commission shall make its determinations pursuant to this chapter and shall adopt such orders or regulations as necessary and appropriate to ensure that natural gas suppliers meet their supply and reliability obligations, including, but not limited to, establishing penalties for failure to deliver natural gas and revoking licenses. Any affected entity may at any time petition the commission to amend or rescind any such order or regulation issued or promulgated under this chapter.

(13) Each natural gas distribution company shall set forth in its restructuring filing an initial proposal to meet its employee transition obligations precipitated by this chapter.

(14) The natural gas distribution company may continue to provide natural gas service to its customers under all tariff rate schedules and riders incorporated into its tariff, and policies or programs, existing on the effective date of this chapter.

(15) Beginning May 1, 1999, and continuing for a 36-month period thereafter, if a natural gas distribution company lays off or terminates any of its employees, except for just cause, the natural gas distribution company shall:

(i) Provide the commission with sufficient information to show that with the reduction of employees the company will still be able to ensure the safety and reliability of natural gas distribution service to all retail gas customers, as provided for by the commission under paragraph (1).

(ii) Provide at least 60 days' written notice of such layoff or termination to the company's employees' authorized bargaining representative.

#### § 2204. Implementation.

(a) Commencement of customer choice.—Beginning on November 1, 1999, unless the commission for good cause shown extends this period by no more than eight months, consistent with this chapter, all retail gas customers of natural gas distribution companies other than city natural gas distribution operations shall have the opportunity to purchase natural gas supply services from a natural gas supplier or their natural gas distribution company to the extent it offers such services. The choice of natural gas suppliers shall rest with the retail gas customer. The commission shall adopt orders, rules, regulations and policies as shall be necessary and appropriate to implement fully this chapter within the time frames specified in this chapter, provided that the commission may, in the context of each natural gas distribution company's restructuring proceeding, establish the time frames for implementation of specific components of each natural gas distribution company's restructuring plan.

(b) Restructuring filings.—All natural gas distribution companies in this Commonwealth, except city natural gas distribution operations, shall file with the commission, pursuant to a schedule to be determined by the commission in consultation with the natural gas distribution companies, a restructuring filing consistent with this chapter and with any orders, rules or regulations adopted by the commission. A city natural gas distribution operation shall file with the commission its restructuring filing pursuant to section 2212 (relating to city natural gas distribution operations).

#### (c) Commission review.—

(1) The commission shall review the restructuring filing of each natural gas distribution company and shall, after open evidentiary hearings with proper notice and opportunity for all parties to cross-examine witnesses and brief issues, issue an order accepting, modifying or rejecting such filing at the earliest date possible, but no later than nine months from the filing date.

(2) In issuing the restructuring order, the commission may consider the results of any collaborative process previously engaged in during or prior to the restructuring proceeding.

(3) If the commission modifies or rejects a restructuring filing, it shall state the specific reasons for modification or rejection and direct the natural gas distribution company to address such objections with

another filing within 30 days of the entry date of the commission order modifying or rejecting the prior filing.

(4) The commission shall review the alternative filing, solicit comments and reply comments from interested parties and issue a final order within 45 days of the revised filing.

(5) The restructuring filing for a city natural gas distribution operation shall also include an initial tariff filing.

(d) Release, assignment or transfer of capacity.—

(1) A natural gas distribution company holding contracts for firm storage or transportation capacity, including gas supply contracts with Pennsylvania producers, on the effective date of this chapter, or a city natural gas distribution operation on the date the commission assumes jurisdiction over such city natural gas distribution operation, may, at its option, release, assign or otherwise transfer such capacity, or Pennsylvania supply, in whole or part, associated with those contracts on a nondiscriminatory basis to licensed natural gas suppliers or large commercial or industrial customers on its system.

(2) Contracts which by their terms must be renewed within 150 days after the effective date of this chapter or, with respect to a city natural gas distribution operation, within 90 days after the date the commission assumes jurisdiction over such city natural gas distribution operation or contracts for which the last day for notice of renewal or nonrenewal pursuant to the notice provision of the contract has occurred or is within 150 days after the effective date of this chapter or, with respect to a city natural gas distribution operation, within 90 days after the date the commission assumes jurisdiction over such city natural gas distribution operation and which are renewed pursuant to such notice requirements shall also be subject to the provisions of this subsection.

(3) Such release, assignment or transfer shall be at the applicable contract rate for such capacity, or Pennsylvania supply, and shall be subject to applicable contractual arrangements and tariffs. The amount so released, assigned or transferred shall be sufficient to serve the level of the customers' requirements for which the natural gas distribution company has procured such capacity, determined in accordance with the natural gas distribution company's tariff or procedures approved in its restructuring proceedings.

(4) The licensed natural gas supplier shall accept such release, assignment or transfer of that capacity, or Pennsylvania supply, and enter into all applicable contracts or agreements, as a condition of serving retail gas customers on the natural gas distribution company's system.

(5) On or after July 1, 2002, or, in the case of a city natural gas distribution operation, March 1, 2005, the commission shall have the authority to prevent such assignments, releases or transfers under either of the following circumstances:

(i) the natural gas distribution company, alone or together with one or more natural gas suppliers, voluntarily proposes an alternative to such assignments, releases or transfers and the commission finds such alternative to be in the public interest; or

(ii) upon the petition of the licensed natural gas supplier who desires to use alternate interstate storage or transportation capacity to serve its customers on the natural gas distribution company's system, the commission makes the following findings and issues a final order as to which all appeals have been exhausted in which:

(A) The commission finds that the alternate capacity which the natural gas supplier seeks to utilize meets the operational needs and reliability standards of the natural gas distribution company.

(B) The commission confirms that the natural gas distribution company's specific transportation and storage capacity contracts to be displaced are no longer needed to serve firm customers of the natural gas distribution company.

(C) The commission authorizes the natural gas distribution company to follow a specific, written mitigation plan approved by the commission or, if such a plan is not approved or applicable, to post the displaced capacity for release in accordance with the rules and regulations of the Federal Energy Regulatory Commission and applicable requirements of interstate pipelines.

(D) The commission authorizes the natural gas distribution company to recover the difference between the amount the natural gas distribution company is required to pay under the applicable contract terms for the capacity released, assigned or transferred pursuant to clause (C) and the amount the natural gas distribution company receives from an entity, if any, that acquires such capacity. Under no circumstances, however, shall such recovery result in shifting of costs between customer classes or in any increase in rates to customers who continue to purchase natural gas supplies from the natural gas distribution company acting in its supplier of last resort function.

(6) Prior to making the filing provided for in paragraph (5), the natural gas supplier shall meet with the natural gas distribution company to discuss the natural gas supplier's proposed alternatives to the existing gas supply or capacity contracts or to their mandatory assignment.

(7) Those natural gas distribution companies having gas supply contracts with Pennsylvania producers may address the issue of post-July 1, 2002, assignment of such contracts in their restructuring proceeding or thereafter.

(e) New and renewed capacity.—

(1) Subject to the service obligations imposed by this title, and to the extent such capacity is not needed to meet the natural gas distribution company's least cost fuel procurement and other applicable standards pursuant to this title, prior to entering into new or renewed contracts for firm storage or transportation capacity not subject to subsection (d)(1), (2), (3) or (4) each natural gas distribution company shall offer on a nondiscriminatory basis to each natural gas supplier licensed to do business on its system, and to large volume industrial or commercial customers of the natural gas distribution company being served by such contracts, the opportunity to renew such contracts, pursuant to the rules and regulations of the Federal Energy Regulatory Commission, or to enter into other contracts for capacity.

(2) The capacity shall meet the reliability criteria of the natural gas distribution company and, in the case of large volume industrial and commercial customers being served by such contracts, shall meet their current requirements.

(3) Each natural gas distribution company shall utilize the collaborative process established pursuant to subsection (f) to address its capacity requirements.

(4) Absent the natural gas supplier or large volume industrial or commercial customer taking or providing such capacity, the natural gas distribution company shall file with and obtain approval from the commission for such contracts necessary to ensure sufficient capacity to meet current and projected customer requirements considering the commitments of natural gas suppliers.

(5) Prior to being displaced by a natural gas supplier's alternate interstate storage or transportation capacity, contracts renewed or entered into by the natural gas distribution company pursuant to this subsection shall be subject to the process set forth in subsection (d).

(f) Working group and collaborative process.—In its restructuring proceeding, a natural gas distribution company shall set forth a process to establish a working group of licensed natural gas suppliers having customers on the natural gas distribution company's system and representatives of the residential, commercial and industrial customer classes to:

(1) Meet on a scheduled basis.

(2) Seek resolution of operational and capacity issues related to customer choice.

The final determination of operational and reliability issues resides with the natural gas distribution company. In addition, the natural gas distribution company shall include in its restructuring filing a collaborative process to address broader issues relating to unbundling, customer choice and deregulation.

(g) Investigation and report to General Assembly.—Five years after the effective date of this chapter, the commission shall initiate an investigation or other appropriate proceeding, in which all interested parties are invited to participate, to determine whether effective competition for natural gas supply services exists on the natural gas distribution companies' systems in this Commonwealth. The commission

shall report its findings to the General Assembly. Should the commission conclude that effective competition does not exist, the commission shall reconvene the stakeholders in the natural gas industry in this Commonwealth to explore avenues, including legislative, for encouraging increased competition in this Commonwealth.

(h) Displaced employee program.—The Department of Labor and Industry shall establish and implement a program to assist the natural gas distribution company employees who are displaced by the transition to retail competition precipitated by this chapter. The program shall be designed to assist employees in obtaining employment and shall consist of utilizing the Federal funds available for the purpose of retraining and outplacement services for such employees.

(i) Audit requirement.—Prior to the commencement of the restructuring proceeding of a city natural gas distribution operation, the commission shall provide for an independent management audit of all employees, records, equipment, contracts, assets, liabilities, appropriations and obligations related to a city natural gas distribution operation pursuant to section 516 (relating to audits of certain utilities). The city natural gas distribution operation shall have a 60-day period to submit written comments on the audit report to the commission.

#### § 2205. Duties of natural gas distribution companies.

##### (a) Integrity of distribution system.—

(1) Each natural gas distribution company shall maintain the integrity of its distribution system at least in conformity with the standards established by the Federal Department of Transportation and such other standards practiced by the industry in a manner sufficient to provide safe and reliable service to all retail gas customers connected to its system consistent with this title and the commission's orders or regulations.

(2) In performing such duties, the natural gas distribution company shall implement procedures to require all natural gas suppliers to supply natural gas to the natural gas distribution company at locations, volumes, qualities and pressures that are adequate to meet the natural gas supplier's supply and reliability obligations to its retail gas customers and the natural gas distribution company's supply and reliability obligations to its retail gas customers. The procedures shall include, but not be limited to:

- (i) A communication protocol with natural gas suppliers.
- (ii) An ability to issue system maintenance orders to control the flow of gas into the distribution system.
- (iii) The right to issue and enforce penalties pursuant to commission direction, provided, however, that the commission may approve additional procedures of like nature by order or regulation to preserve reliability.

##### (b) Installation and improvement of facilities.—

(1) The natural gas distribution company shall not have an obligation to install nonstandard facilities, either as to type or location, for the purpose of receiving natural gas from the natural gas supplier unless the natural gas supplier or its retail gas customer pays the full cost of these facilities.

(2) Nothing in this chapter shall prevent the natural gas distribution company from maintaining and upgrading its system to meet retail gas customer requirements consistent with the requirement of section 1501 (relating to character of service and facilities) or compliance with other statutory and regulatory requirements.

(3) Disputes concerning facilities shall be subject to the jurisdiction of the commission and may be initiated by the filing of a complaint under section 701 (relating to complaints) by the commission or any interested party.

##### (c) Customer billing.—

(1) Subject to the right of a retail gas customer to choose to receive separate bills from its natural gas supplier for natural gas supply service, the natural gas distribution company shall be responsible for billing each of its retail gas customers for natural gas distribution service, consistent with the orders or regulations of the commission, regardless of the identity of the provider of natural gas supply services.

(2) (i) Bills to retail gas customers shall contain sufficient unbundled charge information to enable the customer to determine the basis for those charges and shall comply with section 1509 (relating to billing procedures). At a minimum, such charges shall

include those services which are unbundled as a result of a restructuring filing or rulemaking.

(ii) Bills to retail residential customers rendered by a natural gas distribution company for natural gas distribution services shall include information required by commission regulations governing standards and billing practices for residential utility service.

(iii) Bills rendered by a natural gas distribution company on behalf of a natural gas supplier shall include, in a form and manner determined by the natural gas distribution company, in consultation with the natural gas supplier, the following information with respect to natural gas supplier services: the name of the natural gas supplier; the rates, charges or prices of natural gas supply services billed, including adjustments to prior period billings, if applicable, and taxes, if applicable; and the natural gas supplier's toll-free telephone number and hours of operation for customer inquiries.

(3) Incremental costs relating to billing services designed, implemented and rendered by the natural gas distribution company, at its election, on behalf of a natural gas supplier or other entity may be recovered through fees charged by the natural gas distribution company to the natural gas supplier or other entity. Either party may request that the commission consider the appropriate level of the fee. In doing so, the commission shall consider fees charged by other natural gas distribution companies for similar services. The commission shall either permit the fee to continue as set or shall establish an alternative mechanism to permit full recovery of unrecovered just and reasonable costs from the supplier or the supplier's customers. Nothing in this section shall permit the recovery of such costs from natural gas supply service customers of the natural gas distribution company.

(4) If services are provided by an entity other than the natural gas distribution company, the entity that provided those services shall furnish to the natural gas distribution company billing data sufficient to enable the natural gas distribution company to timely bill retail gas customers. The entity shall provide data for billing purposes in a format and in a time frame as required by the natural gas distribution company. The natural gas distribution company shall consider the data and information confidential and shall treat it as such.

(5) No natural gas distribution company shall be required to forward payment to entities providing services to customers and on whose behalf the natural gas distribution company is billing those customers before the natural gas distribution company has received payment for those services from customers. The commission shall issue guidelines addressing the application of partial payments.

(6) Natural gas distribution companies and natural gas suppliers shall take reasonable steps to allow retail gas customers to contribute via their bill to hardship energy funds which benefit low-income residential retail gas consumers.

(d) Enhanced metering.—Subject to commission approval, the natural gas distribution company may require the installation, at the retail gas customer's expense, of enhanced metering capability sufficient to match the natural gas delivered by the retail gas customer's natural gas supplier or suppliers with consumption by that retail gas customer. In exercising its discretion, the commission shall consider the effect on low-income retail gas customers.

#### § 2206. Consumer protections and customer service.

(a) Quality.—A natural gas distribution company shall be responsible for customer service functions consistent with the orders and regulations of the commission, including, but not limited to, meter reading, installation, testing and maintenance and emergency response for all customers, and complaint resolution and collections related to the service provided by the natural gas distribution company. Customer service and consumer protections and policies for retail gas customers shall, at a minimum, be maintained at the same level of quality under retail competition as in existence on the effective date of this chapter.

(b) Change of suppliers.—The commission shall, by order or regulation, establish procedures to ensure that a natural gas distribution company does not change a retail gas customer's natural gas supplier without directoral confirmation from the customer of record or written evidence of the customer's consent to a change of supplier.

(c) Customer information.—The commission shall, by order or regulation, establish requirements that each natural gas distribution

company and natural gas supplier provide adequate, accurate customer information to enable retail gas customers to make informed choices regarding the purchase of all natural gas services offered by that provider. Information shall be provided to retail gas customers in an understandable format that enables retail gas customers to compare prices and services on a uniform basis.

(d) Consumer education.—Prior to the implementation of any restructuring plan under section 2204 (relating to implementation), each natural gas distribution company, in conjunction with the commission and consistent with the guidelines established by the commission, shall implement a consumer education program to inform customers of the changes in the natural gas utility industry. The program shall provide retail gas customers with information necessary to help them make appropriate choices as to their natural gas service. The education program shall be subject to approval by the commission. The consumer education program shall include goals, objectives and an action plan that is designed to be objective, easily understood, utilizes a uniform measurement as established by the commission for the cost of gas, be available in languages that the commission requires to meet the needs of a service territory and be separate and distinct from marketing.

(e) Consumer education cost recovery.—The consumer education program shall be subject to approval by the commission and shall be funded in each natural gas distribution service territory by a nonbypassable, competitively neutral cost recovery mechanism that fully recovers the reasonable cost of such program. To the extent that the industrial customer class is not currently assigned such costs on the effective date of this chapter, it shall not be assigned such costs in the future.

(f) Tenants' rights.—Nothing in this chapter shall be construed to restrict the rights of tenants pursuant to Subchapter B of Chapter 15 (relating to discontinuance of service to leased premises).  
§ 2207. Obligation to serve.

(a) Supplier of last resort.—

(1) After the effective date of this chapter, the natural gas distribution company shall serve as the supplier of last resort for residential, small commercial, small industrial and essential human needs customers and any other customer classes determined by the commission in the natural gas distribution company's restructuring proceeding until such time as the commission, pursuant to this section, approves an alternative supplier or suppliers to provide such services to any or all of the natural gas distribution company's customers.

(2) For purposes of this section, a supplier of last resort is a natural gas distribution company or natural gas supplier which is designated by the commission to provide natural gas supply service with respect to one or more of the following services:

(i) natural gas supply services to those customers who have not chosen an alternative natural gas supplier or who choose to be served by their supplier of last resort;

(ii) natural gas supply services to those customers who are refused supply service from a natural gas supplier; or

(iii) natural gas supply services to those customers whose natural gas supplier has failed to deliver its requirements. No customer shall have more than one supplier of last resort designated for any of the services set forth in this paragraph.

(b) Consumer protection.—Service by the supplier of last resort shall be subject to all consumer protection standards, including those contained in 52 Pa. Code Ch. 56 (relating to standards and billing practices for residential utility service) and to all universal service obligations.

(c) Natural gas distribution company.—The natural gas distribution company shall deliver natural gas to the extent that it is provided by all natural gas suppliers, or suppliers of last resort, as the case may be, in accordance with the natural gas distribution company's tariff.

(d) Standards of service.—Consistent with the standards set forth in section 1501 (relating to character of service and facilities) and applicable orders of the commission, a supplier of last resort under subsection (a)(2)(iii) shall provide sufficient supplies as to quantity, quality, pressure and location to meet the operational reliability requirements of the natural gas distribution company's system, including, but not limited to, a failure of one or more natural gas suppliers to:

(1) supply natural gas to their retail gas customers in conformance with their contractual obligations to such customers; or

(2) satisfy applicable reliability standards and obligations.

(e) Discontinuation of service.—The natural gas distribution company shall continue providing services as the supplier of last resort to all of its customers for all of the natural gas supply services described in subsection (a)(2), unless, at its discretion, it requests and receives commission approval to discontinue providing one or more such supplier of last resort obligation. In approving such a petition, the commission shall also approve another party as the alternative supplier of last resort for each customer or customer group for which the natural gas distribution company no longer provides such natural gas supply services.

(f) Regulations.—The commission shall promulgate regulations setting forth the standards for approving an alternative supplier of last resort consistent with the provisions of this title, including a mechanism to ensure that the rates charged by any alternate supplier of last resort are just and reasonable.

(g) Organized labor.—During the five-year period following the effective date of this chapter, approval of an alternative supplier of last resort pursuant to subsection (e) shall not be granted unless the entity designated by the commission to succeed the natural gas distribution company in the provision of service to these customers agrees to recognize relevant union and collective bargaining agreements of the natural gas distribution company then in place.

(h) Petition to become supplier of last resort.—After the five-year period following the effective date of this chapter, any party may petition the commission to become the supplier of last resort to some or all customers except for those customers identified in subsection (a)(2)(i).

(i) Notice required prior to market exit.—

(1) A natural gas supplier may not exit the market without providing notice as determined by the commission in the restructuring proceeding of the natural gas distribution company to its customers, the supplier of last resort and the natural gas distribution company.

(2) If firm gas supply contracts with Pennsylvania natural gas producers or storage or transportation capacity contracts used by the natural gas supplier to serve such retail gas customers were either assigned or released to the natural gas supplier or constitute capacity which was acquired by the natural gas supplier as the result of nonrenewal of a storage or transportation capacity contract previously held by the natural gas distribution company, the natural gas supplier shall offer the supplier of last resort or successor natural gas supplier a right of first refusal to utilize such Pennsylvania supply contracts or storage or transportation capacity contracts at its contract cost as long as needed to serve those customers.

(3) If the storage or transportation capacity contracts held by the natural gas supplier were acquired in another manner, and there was not sufficient notice given to the supplier of last resort and the natural gas distribution company, or if there is not alternative storage or transportation capacity available which is operationally sufficient to serve the market the natural gas supplier was serving, then the supplier of last resort shall be provided with a right to use such storage or transportation capacity as designated by the natural gas supplier, at the contract cost, until the supplier of last resort is able to acquire replacement capacity sufficient to serve its customers using reasonable and diligent efforts to do so.

(4) If a dispute arises under this subsection, the aggrieved party may file a complaint with the commission for resolution within 45 days.

(j) Duty involving lost customers.—To the extent that a natural gas supplier loses retail gas customers such that its capacity requirements to a natural gas distribution company are reduced below the level established by the commission for such purpose in the natural gas distribution company's restructuring proceeding, the natural gas supplier shall have the same obligations set forth in subsection (i).

(k) Rate after service discontinued.—In the event the natural gas supplier discontinues service or defaults before its contract with the customer expires, the retail gas customer shall be served by the supplier of last resort at the commission-approved supplier of last resort rate commencing with the next billing cycle. However, the retail gas customer shall continue to be charged the rate the customer negotiated

with the discontinuing or defaulting natural gas supplier for the remainder of the billing cycle. Any difference between the cost incurred by the supplier of last resort and the amount payable by the retail gas customer shall be recovered from the natural gas supplier or from the bond or other security provided by the natural gas supplier without recourse to any retail gas customer not otherwise contractually committed for the difference.

§ 2208. Requirements for natural gas suppliers.

(a) License requirements.—No entity shall engage in the business of a natural gas supplier unless it holds a license issued by the commission. To the extent that a natural gas distribution company provides natural gas supply service outside of its chartered or certificated territory, it also must hold a license. A license shall not be required for customers who make de minimis incidental sales or resales to themselves, an affiliate or to other nonresidential retail gas customers.

(b) License application and issuance.—An application for a natural gas supplier license shall be made to the commission in writing, be verified by oath or affirmation and be in such form and contain such information as the commission may, by rule or order, require. A license shall be issued to any applicant, authorizing the whole or any part of the service covered by the application, if it is found that the applicant is fit, willing and able to perform properly the service proposed and to conform to the applicable provisions of this title and the orders and regulations of the commission, including those concerning standards and billing practices, and that the proposed service, to the extent authorized by the license, will be consistent with the public interest. Otherwise, such application shall be denied.

(c) Financial fitness.—

(1) In order to ensure the safety and reliability of the natural gas supply service in this Commonwealth, no natural gas supplier license shall be issued or remain in force unless the applicant or holder, as the case may be, complies with all of the following:

(i) Furnishes a bond or other security in a form and amount to ensure the financial responsibility of the natural gas supplier. The criteria each natural gas distribution company shall use to determine the amount and form of such bond or other security shall be set forth in the natural gas distribution company's restructuring filing. In approving the criteria, commission considerations shall include, but not be limited to, the financial impact on the natural gas distribution company or an alternative supplier of last resort of a default or subsequent bankruptcy of a natural gas supplier. The commission shall periodically review the criteria upon petition by any party. The amount and form of the bond or other security may be mutually agreed to between the natural gas distribution company or the alternate supplier of last resort and the natural gas supplier or failing that shall be determined by criteria approved by the commission.

(ii) Provides the commission with the address of the participant's principal office in this Commonwealth or the address of the participant's registered agent in this Commonwealth, the latter being the address at which the participant may be served process.

(2) Failure of a natural gas supplier to comply with any provision of this chapter or the rules, regulations, orders or directives of the Department of Revenue or of the commission, including, but not limited to, engaging in anticompetitive behavior, shall be cause for the commission to revoke the license of the natural gas supplier.

(d) Transferability of licenses.—No license issued under this chapter may be transferred without prior commission approval.

(e) Form of regulation of natural gas suppliers.—Except where a natural gas supplier serves as a supplier of last resort, the commission may forbear from extending its regulation of natural gas suppliers beyond licensing, bonding, reliability and consumer services and protections, including all applicable portions of 52 Pa. Code Ch. 56 (relating to standards and billing practices for residential utility service). Subject to the provisions of section 2207 (relating to obligation to serve), nothing in this section shall preclude a natural gas supplier, upon appropriate and reasonable notice to the retail gas customer, supplier of last resort, and the natural gas distribution company, from canceling its contract with any customer for legal cause, subject to the customer's right to have continued service from the supplier of last resort.

(f) Availability of the service of natural gas suppliers.—Prior to licensing any natural gas supplier, the commission shall set forth standards to ensure that all customer classes may choose to purchase natural gas from a natural gas supplier. The commission shall also ensure that natural gas suppliers comply with applicable provisions of 52 Pa. Code Ch. 56.

(g) Open and nondiscriminatory access.—In addition to meeting the license requirements applicable to applicants under subsection (b), a municipal corporation shall, before it is permitted to provide natural gas supply services as a natural gas supplier, demonstrate, and the commission shall determine, that by the date of the issuance of the license, it will provide other natural gas suppliers open and nondiscriminatory access to its gas distribution system under standards that are comparable to this title, taking into consideration the particular circumstances of the municipal corporation's ownership and/or operation of the gas distribution system.

§ 2209. Market power remediation.

(a) Interim standards of conduct.—Within 120 days of the effective date of this chapter, the commission shall provide by order binding, interim guidelines for standards of conduct governing the activities of and relationships between natural gas distribution companies and their affiliated natural gas suppliers and other natural gas suppliers and monitor and enforce compliance with those standards.

(b) Permanent standards of conduct.—The commission shall thereupon promulgate regulations setting forth permanent standards of conduct governing the activities of and relationships between natural gas distribution companies and their affiliated natural gas suppliers and other natural gas suppliers and monitor and enforce compliance with these standards. The commission shall neither favor nor disfavor conduct or operations by and between a natural gas distribution company and an affiliated natural gas supplier or a nonaffiliated natural gas supplier.

(c) Contents of standards.—Standards of conduct shall provide for:

(1) No discrimination against or preferential treatment of any natural gas supplier, including an affiliated natural gas supplier.

(2) No disclosure or preferential sharing of any confidential information to or with any individual natural gas supplier.

(3) Adequate rules prohibiting cross-subsidization of an affiliated natural gas supplier by a natural gas distribution company.

(4) Maintenance of separate books and records by the natural gas distribution company and its affiliated natural gas supplier.

(5) Sufficient physical and operational separation, but not including legal divestiture, to accomplish paragraphs (1), (2), (3) and (4).

(6) An informal dispute resolution procedure.

(7) A system of penalties for noncompliance with the final set of standards of conduct consistent with existing commission regulations.

(d) Limitation.—The standards shall not prohibit the natural gas distribution company and its affiliated natural gas supplier from using or sharing similar corporate names, trademarks, trade dress or service marks.

(e) Initiation of investigations.—Upon complaint or upon its own motion, for good cause shown, the commission shall conduct an investigation of the impact on the proper functioning of a fully competitive retail natural gas market, of mergers, consolidations, acquisition or disposition of assets or securities of natural gas suppliers and anticompetitive or discriminatory conduct affecting the retail distribution of natural gas.

(f) Conduct of investigations.—

(1) The commission may require a natural gas supplier to provide information, including documents and testimony, in accordance with the commission's regulations regarding the discovery of information.

(2) Material which the commission determines to be confidential, proprietary or trade secret information provided under this subsection shall not be disclosed to any person not directly employed or retained by the commission to conduct the investigation without the consent of the party providing the information.

(3) Notwithstanding the prohibition on disclosure of information in paragraph (2), the commission shall disclose information obtained under this subsection to the Office of Consumer Advocate and the Office of Small Business Advocate under an appropriate confidentiality agreement. The commission may disclose the information to appropri-

ate Federal or State law enforcement officials if it determines that the disclosure of the information is necessary to prevent or restrain a violation of Federal or State law and it provides the party that provided the information with reasonable notice and opportunity to prevent or limit disclosure.

(g) Referrals and investigation.—If, as a result of the investigation conducted under this section, the commission has reason to believe that anticompetitive or discriminatory conduct, including the unlawful exercise of market power, is preventing the retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market, the commission, pursuant to its regulations, shall:

(1) Refer its findings to the Attorney General, the United States Department of Justice, the Securities and Exchange Commission or the Federal Energy Regulatory Commission.

(2) Subject to subsection (c)(3), disclose any information it has obtained in the course of its investigation to the agency or agencies to which it had made a referral under paragraph (1).

(3) Intervene, as provided and permitted by law or regulation, in any proceedings initiated as a result of a referral made under paragraph (1).

(h) Marketing standards.—As part of each natural gas distribution company's restructuring proceeding, the commission may, in its discretion, develop and apply different standards of conduct to the natural gas distribution company's marketing activities related to natural gas supply services. No such standards shall apply to the natural gas distribution company's marketing division or operations until the commission issues an order in the context of that natural gas distribution company's restructuring proceeding.

(i) Definition.—Subject to the conditions set forth in subsection (h), for the purposes of this section, the term "affiliated natural gas supplier" includes marketing activities related to natural gas supply services by the marketing division or the marketing operation of a natural gas distribution company.

§ 2210. Approval of proposed mergers, consolidations, acquisitions or dispositions.

(a) General rule.—In the exercise of authority the commission otherwise may have to approve mergers or consolidations involving natural gas distribution companies or natural gas suppliers or the acquisition or disposition of assets or securities of natural gas distribution companies or natural gas suppliers, the commission shall consider:

(1) Whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market.

(2) The effect of the proposed merger, consolidation, acquisition or disposition on the employees of the natural gas distribution company and on any authorized collective bargaining agent representing those employees.

(b) Procedure.—Upon request for any approval identified in subsection (a), the commission shall provide notice and an opportunity for open, public evidentiary hearings. If the commission finds, after hearing, that a proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining benefits of a properly functioning and effectively competitive retail natural gas market, the commission shall not approve such proposed merger, consolidation, acquisition or disposition, except upon such terms and conditions as it finds necessary to preserve the benefits of a properly functioning and effectively competitive retail natural gas market.

(c) Preservation of rights.—Nothing in this section shall restrict the right of any party to pursue any other remedy available to it.

§ 2211. Rate caps.

(a) General rule.—Except as provided under subsections (d), (e), (f) and (g) and section 2212 (relating to city natural gas distribution operations), for a period from the effective date of this chapter until January 1, 2001, the total non-gas cost charges of a natural gas distribution company for service to any retail gas customer shall not exceed

the maximum non-gas cost charges that are contained in the natural gas distribution company's tariff as of the effective date of this chapter.

(b) Recovery of deferred costs.—

(1) In a restructuring proceeding, the natural gas distribution company may identify categories of costs resulting from this chapter.

(2) The natural gas distribution company may seek permission in its restructuring proceeding to capitalize and to amortize such costs over an appropriate period to be determined by the commission. The amortization shall commence at the time when restructuring orders are issued. The natural gas distribution company may seek recovery of the unamortized balance of such costs in a future rate proceeding, and the commission shall allow recovery of such costs provided that the commission determines that such costs are reasonable and that the resulting rates are just and reasonable.

(c) Deferral of costs.—Costs recoverable under sections 2203(6) (relating to standards for restructuring of natural gas utility industry) and 2206(e) (relating to consumer protections and customer service), in excess of amounts already reflected in a natural gas distribution company's rates, which are incurred between the date of entry of the commission's restructuring order and the earlier of the date on which the commission authorizes commencement of recovery or June 30, 2002, may be deferred for recovery in the future. Such deferrals shall be without interest.

(d) Circumstances for exceptions.—A natural gas distribution company may seek, and the commission may approve, an exception to the limitations set forth in this section under any of the following circumstances:

(1) The natural gas distribution company meets the requirements for extraordinary relief under section 1308(e) (relating to voluntary changes in rates).

(2) The natural gas distribution company demonstrates that a rate increase is necessary in order to preserve the reliability of the natural gas distribution system.

(3) The natural gas distribution company is subject to significant increases in the rate of Federal taxes or other significant increases in costs resulting from changes in law or regulations that would not allow the natural gas distribution company to earn a fair rate of return.

(e) Interclass and intraclass cost shifts.—Except as provided in section 2212, for the period from the effective date of this chapter until January 1, 2001, interclass or intraclass cost shifts are prohibited. This prohibition against cost shifting may be accomplished by maintaining the cost allocation methodology accepted by the commission for each natural gas distribution company in the company's most recent base rate proceeding.

(f) State tax adjustment surcharge.—The natural gas distribution company, other than a city natural gas distribution operation, shall remain subject to the State tax adjustment surcharge and shall be permitted to adjust its State tax adjustment surcharge mechanism to reflect State tax changes or additions. The natural gas distribution company shall also remain subject to existing riders or surcharges for the collection of non-gas transition costs pursuant to Federal Energy Regulatory Commission decisions.

(g) Provisions relating to interstate pipelines.—

(1) Notwithstanding any other provisions of this chapter, if a natural gas distribution company's current base rate revenues reflect the margins realized through the utilization of firm interstate pipeline transportation and storage capacity to serve the interruptible market when such capacity is not needed to make firm retail deliveries, then the natural gas distribution company shall be permitted to increase base rates and, at the same time, reduce purchased gas cost rates, as described in this chapter.

(2) The natural gas distribution company may propose such a change in treatment, consistent with the following requirements:

(i) Base rates of customers who pay purchased gas cost rates pursuant to section 1307(f) (relating to sliding scale of rates; adjustments) shall be increased by an amount equal to the margin received for service provided to existing interruptible sales and transportation service customers using capacity reflected in rates established under section 1307(f) based upon the revenue for such services for the most recent 12-month period immediately preceding the application.

(ii) Purchased gas cost rates established pursuant to section 1307(f) shall be decreased by an amount equal to the amount by which base rates are increased in subparagraph (i).

(iii) Purchased gas cost rates established pursuant to section 1307(f) shall thereafter be reconciled to reflect the margins realized from interruptible sales and interruptible transportation customers utilizing capacity reflected in rates established under section 1307(f).

(h) Interstate pipeline transportation.—

(1) Except as specifically set forth in this subsection, nothing in this section or section 2204(d) (relating to implementation) shall prevent a natural gas distribution company from recovering costs paid under the terms of interstate pipeline transportation and storage capacity contracts which are not fully recovered through a release, assignment or transfer of such capacity to another natural gas supplier if such unrecovered costs arise under the terms of a natural gas transportation pilot program approved by the commission for such company on or before February 1, 1999.

(2) Such unrecovered interstate pipeline transportation and capacity costs incurred under such programs through October 31, 2004, may be recovered from a class or classes of customers in accordance with such program provided that the total volumetric charge for such costs does not exceed 1% of the volumetric charge for residential natural gas sales service set forth in the natural gas distribution company's tariff in effect at the time.

(3) With respect to such pilot programs, the commission may determine to extend such programs to include all customers of that company pursuant to the requirements of this chapter, and nothing in this section or section 2204(d) shall prevent unrecovered interstate pipeline and transportation capacity costs incurred through October 31, 2004, under such programs from being recovered in accordance with such programs provided that the total volumetric charge for such costs does not exceed the 1% limit specified in paragraph (2) for pilot programs.

§ 2212. City natural gas distribution operations.

(a) Application.—The provisions of this section shall apply only to city natural gas distribution operations.

(b) Commission jurisdiction.—Subject to the provisions of this section, commencing July 1, 2000, public utility service being furnished or rendered by a city natural gas distribution operation within its municipal limits shall be subject to regulation and control by the commission with the same force as if the service were rendered by a public utility.

(c) Applicability of other chapters.—Commencing July 1, 2000, to the extent not inconsistent with this section, the provisions of this title, other than Chapters 11 (relating to certificates of public convenience), 19 (relating to securities and obligations) and 21 (relating to relations with affiliated interests), shall apply to the public utility service of a city natural gas distribution operation with the same force as if the city natural gas distribution operation was a public utility under section 102 (relating to definitions), provided that upon request of a city natural gas distribution operation the commission may suspend or waive the application to a city natural gas distribution operation of any provision of this title, including any provision of this chapter other than this section. Chapter 11 shall apply to a city natural gas distribution operation to the extent it seeks to provide natural gas distribution services outside of its corporate or municipal limits. Chapter 19 shall apply to issuances of securities for the benefit of a city natural gas distribution operation by an issuer other than a city to the extent provided in subsection (e) but shall not apply to issuances of securities by a city.

(d) Continuation of tariff.—For purposes of this section, prior tariff means the tariff, rate schedule and riders incorporated into the tariff of a city natural gas distribution operation on the date the commission assumes jurisdiction over such city natural gas distribution operation. A city natural gas distribution operation shall continue to provide natural gas supply and natural gas distribution services to its customers under the prior tariff and the policies or programs, existing on the date that the commission assumes jurisdiction over the city natural gas distribution operation, until the effective date of the final order entered by the commission approving the restructuring plan and new tariff of the city natural gas distribution operations unless such effective date

has been stayed by a court of competent jurisdiction, in which event the prior tariff will continue in force until such stay has been dissolved. Where the prior tariff refers to, incorporates or includes a local commission, it shall be interpreted as referring to, incorporating or including the commission. Subject to subsection (s), the commission shall resolve all questions, disputes or conflicts arising under the prior tariff. Nothing contained in this section shall prevent a city natural gas distribution operation from requesting, or, if so requested, the commission from approving, modifications to the prior tariff at any time prior to the effective date of the final order approving the restructuring plan and new tariff.

(e) Securities of city natural gas distribution operations.—Notwithstanding any provision of this title to the contrary, in determining the city natural gas distribution operation's revenue requirement and approving overall rates and charges, the commission shall follow the same ratemaking methodology and requirements that were applicable to the city natural gas distribution operation prior to the assumption of jurisdiction by the commission and such obligation shall continue until the date on which all approved bonds have been retired, redeemed, advance refunded or otherwise defeased. However, this section shall not prevent the commission from approving changes in the rates payable by any class of ratepayers of the city natural gas distribution operation so long as the revenue requirement and the overall rates and charges are not adversely affected by such changes. Notwithstanding any provision in this title to the contrary, the commission shall permit the city natural gas distribution operation to impose, charge or collect rates or charges as necessary to permit the city or municipal authority formed pursuant to subsection (m) that issued bonds on behalf of a city natural gas distribution operation to comply with its covenants to the holders of any approved bonds. Notwithstanding any provision in this title to the contrary, the commission shall not require a city natural gas distribution operation to take action, or omit taking any actions, pursuant to this title if such action or omission would have the effect of causing the interest on tax-exempt bonds issued by a city or municipal authority formed pursuant to subsection (m) on behalf of a city natural gas distribution operation to be includable in the gross income of the holders of such bonds for Federal income tax purposes. For purposes of this section, approved bonds shall mean all bonds:

(1) issued by a city on behalf of a city natural gas distribution operation under the act of October 18, 1972 (P.L.955, No.234), known as The First Class City Revenue Bond Act or the act of December 7, 1982 (P.L.827, No.231), known as The City of Philadelphia Municipal Utility Inventory and Receivables Financing Act, that were issued and outstanding on the date the commission assumed jurisdiction over the city natural gas distribution operation;

(2) issued by the city after the date the commission assumed jurisdiction over the city natural gas distribution operation unless the governing body of the city, at the time of approval of the bond issuance, determines that such bonds shall not be approved bonds;

(3) issued by the city or a municipal authority, nonprofit corporation or public corporation formed pursuant to subsection (m) for the purpose of refunding, redeeming, repaying or otherwise defeasing approved bonds; or

(4) issued by a municipal authority formed pursuant to subsection (m) for purposes other than refunding, redeeming, repaying or otherwise defeasing approved bonds unless the commission determines, at the time of the registration of a securities certificate pursuant to section 1903 (relating to registration or rejection of securities certificates), that the bond should not be approved bonds.

Notwithstanding any provision of this title to the contrary, a city owning a city natural gas distribution operation may continue to issue bonds on behalf of the city natural gas distribution operation pursuant to The First Class City Revenue Bond Act and under The City of Philadelphia Municipal Utility Inventory and Receivables Financing Act, and any municipal authority formed pursuant to subsection (m) may issue bonds on behalf of the city natural gas distribution operation pursuant to the act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, and as otherwise provided by law. All documents that are required to be submitted to the governing body of the city by The First Class City Revenue Bond Act or The City

of Philadelphia Municipal Utility Inventory and Receivables Financing Act or, in the case of an issuance of securities by a municipal authority, the Municipality Authorities Act of 1945, shall also be submitted to the commission for its information. Any issuance of securities by a municipal authority formed pursuant to subsection (m) on behalf of a city natural gas distribution operation, other than issuances of bonds for the purpose of refunding, redeeming, repaying or otherwise defeasing approved bonds, shall be subject to the provisions of Chapter 19 (relating to securities and obligations) provided that commission determinations with respect to the registration of a securities certificate under Chapter 19 for the issuance of securities by a municipal authority formed pursuant to subsection (m) shall be determinations with respect to public debt and the commission shall employ its abbreviated securities certificate process to such issuances.

(f) Transfers to city.—The commission shall permit the city natural gas distribution operation to impose, charge or collect rates and charges as necessary to permit the city natural gas distribution operation to transfer or pay to the city that is the owner of the city natural gas distribution operation, on an annual basis, such amount as may be specified from time to time in the applicable ordinances of the city or agreements of the city approved by ordinances. If the amount so specified shall exceed 110% of the amount that was authorized for transfer or payment to the city at the close of the fiscal year of the city ending June 30, 2000, such additional amount shall be subject to review and approval of the commission, which approval shall be given unless such additional amount would not be just and reasonable.

(g) Restructuring and tariff filings.—A city natural gas distribution operation shall file with the commission an initial tariff and a restructuring filing consistent with this chapter, and with any orders, rules or regulations adopted by the commission after the effective date of this chapter no later than July 1, 2002, and, unless the city natural gas operation agrees, no earlier than December 31, 2001, pursuant to a schedule to be determined by the commission in consultation with a city natural gas distribution operation. The commission shall conduct an initial rate proceeding pursuant to its procedures for such filings. Hearings on the tariff and restructuring filings shall be held within the municipal limits of the city in which the city natural gas distribution operation is located to the extent practicable.

(h) Restructuring proceedings.—In the restructuring proceeding of a city natural gas distribution operation, in addition to the requirements of section 2204(c) (relating to implementation):

(1) The city natural gas distribution operation shall file a plan to convert its existing information technology, accounting, billing, collection, gas purchasing and other operating systems and procedures to comply with the requirements applicable to jurisdictional natural gas utilities under this title and the applicable rules, regulations and orders. The commission shall examine the cost and burdens of converting existing systems and procedures of a city natural gas distribution operation to meet the requirements of this title generally applicable to natural gas distribution companies. If requested by the city natural gas distribution operation, the commission shall determine whether the cost of conversion of any system or procedure is prudent in light of the benefits to be obtained. In the event that the commission determines that the costs would not be prudent, it may waive application to the city natural gas distribution operation of any provision of this title or the commission's rules, regulations and orders as appropriate. In the event that the commission determines that such costs should be incurred, the commission shall permit the city natural gas distribution operation to fully recover such costs through a nonbypassable charge imbedded in the distribution rates of the city natural gas distribution operation.

(2) In its restructuring proceeding, a city natural gas distribution operation may propose an automatic adjustment mechanism or mechanisms in lieu of, or as a supplement to, section 1307 (relating to sliding scale of rates; adjustments) to adjust rates for fluctuations in gas and nongas costs including, but not limited to, an automatic adjustment mechanism or mechanisms to recover the costs of providing programs for low-income ratepayers and other assisted ratepayers. The commission may approve or modify the automatic adjustment mechanism or mechanisms proposed by the city natural gas distribution operation, or the commission may approve a section 1307 adjustment for a city natural gas distribution operation. However, the automatic adjustment

mechanism, whether section 1307 or any alternative proposed by the city natural gas distribution operation, utilized for city natural gas distribution operations must enable the city or municipal authority formed pursuant to subsection (m) that issued bonds on behalf of a city natural gas distribution operation to fully comply at all times with its covenants to the holders of any approved bonds.

(i) Powers of the Consumer Advocate; Small Business Advocate.—The Consumer Advocate shall represent the interests of consumers as a party, or otherwise participate for the purpose of representing an interest of consumers, before the commission in any matter properly before the commission relating to a city natural gas distribution operation. The Consumer Advocate is authorized, in addition to any other authority conferred on him, to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons who make, direct, use or are ultimate recipients of a product or services supplied by a city natural gas distribution operation. The Small Business Advocate shall represent the interest of small business consumers as a party, or otherwise participate for the purpose of representing an interest of small business consumers, before the commission in any matter properly before the commission relating to a city natural gas distribution operation. The Small Business Advocate is authorized, in addition to any other authority conferred on him, to represent an interest of small business consumers which is presented to him for his consideration upon petition in writing by a substantial number of small business consumers who make, direct, use or are ultimate recipients of a product or services supplied by a city natural gas distribution operation.

(j) Commencement of customer choice.—Beginning with the commencement of the first fiscal year of a city natural gas distribution operation after the order approving the restructuring plan of a city natural gas distribution operation becomes effective, all retail gas customers of city natural gas distribution operations shall have the opportunity to purchase natural gas supply services from a natural gas supplier or the city natural gas distribution operation to the extent it offers the service. After that date, the choice of natural gas suppliers shall rest with the retail gas customer.

(k) City instrumentality.—Unless and until the governing body of a city that owns a city natural gas distribution operation otherwise provides:

(1) a city natural gas distribution operation shall be deemed an instrumentality of the city that owns it and independently authorized to establish and maintain pension, welfare and other employee benefit plans for the benefit of those individuals who render services in connection with its operations; and

(2) for the purpose of being a participant in such plans or programs, those individuals who render services exclusively and directly related to the operations of the city natural gas distribution operation shall be deemed employees of the city natural gas distribution operation as a distinct entity from the city. If any pension plan established and maintained by or on behalf of a city natural gas distribution operation is or becomes subject to the act of December 18, 1984 (P.L. 1005, No. 205), known as the Municipal Pension Plan Funding Standard and Recovery Act, the provisions of Chapters 5 and 6 of that act (relating to financially distressed municipal pension system recovery programs) shall not require any pension plan of a city natural gas distribution operation to be aggregated with any pension plan established and maintained by the city.

(l) Assisted cities.—Notwithstanding any other provision of this title, no assisted city shall be required to take any action under this title if the effect of the action is to cause a variation in the financial plan of such assisted city approved pursuant to section 209 of the act of June 5, 1991 (P.L. 9, No. 6), known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class. As used in this subsection, "assisted city" and "variation" shall have the meanings set forth or construed in the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class.

(m) Corporate action.—A city that owns a city natural gas distribution operation may form a nonprofit corporation or public corporation or municipal authority under the Municipality Authorities Act of 1945, in order to own, manage, operate, lease or carry out natural gas supply and/or distribution services for, in place of, or on behalf of, the city

natural gas distribution operation, provided that no such entity shall provide natural gas supply services outside of the municipal limits of the city unless licensed as a natural gas supplier. Notwithstanding subsections (b) and (c), if a city forms an entity pursuant to this section to provide natural gas supply services, whether inside or outside of the city, the entity shall be deemed an affiliated interest of the city natural gas distribution operation and Chapter 21 shall apply with respect to that affiliated interest. A municipal authority formed pursuant to the authorization of this section shall not exercise the power of eminent domain outside of the municipal limits of the city in which it is seated. Any entity created under this section or otherwise to own, manage, operate, lease or carry out natural gas supply and/or distribution services, for, or on behalf of, a city or a city natural gas distribution operation shall be deemed a local agency for purposes of 42 Pa.C.S. Ch.85 (relating to matters affecting government units).

(n) Collections.—Nothing contained in this title shall abrogate the power of a city natural gas distribution operation to collect delinquent receivables through the imposition of liens pursuant to section 3 of the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law, or otherwise.

(o) Existing customer contracts.—Notwithstanding the provisions of this chapter, where an agreement for natural gas service, evidenced by a signed writing between a city natural gas distribution operation and any customer, exists prior to the date the commission assumes jurisdiction over a city natural gas distribution operation, the customer shall be bound by its terms and conditions and shall not have the right to receive natural gas service from another source until the expiration of the term of the agreement or otherwise pursuant to the terms and conditions of the agreement.

(p) License application and issuance.—A city natural gas distribution operation may apply for a license pursuant to the procedures under section 2208 (relating to requirements for natural gas suppliers). Subject to the requirement that it qualify for and obtain a natural gas suppliers license under section 2208, a city natural gas distribution operation is authorized to engage in the business of a natural gas supplier outside its municipal or corporate limits.

(q) Commission assessment.—In order to ensure that the commission will be able to carry out its obligations with respect to city natural gas operations, the chief executive officer of a city natural gas distribution operation shall file, no later than March 31, 2000, a sworn statement showing its gross intrastate operating revenues for the immediately preceding fiscal year in the same manner as required by section 510(b) (relating to assessment for regulatory expenses upon public utilities). The commission shall use such revenues in accordance with the procedures set forth in section 510(b) and shall bill, no earlier than July 1, 2000, each city natural gas distribution operation its proportional share of the commission's expenses pursuant to section 510(b)(4). A city natural gas distribution operation shall pay the resulting assessment in accordance with and subject to the provisions contained in section 510.

(r) Senior citizens.—

(1) The commission may approve a program designed to provide discounted rates for natural gas distribution and supply services to senior citizens residing in the service territory of a city natural gas distribution operation provided that such rates, and the terms of such program, are just and reasonable.

(2) Individual ratepayers who, as of the date the initial tariff of a city natural gas distribution operation becomes effective pursuant to subsection (d), are properly receiving discounted gas rates pursuant to the terms of a program specifically designed to provide assistance to senior citizens contained in the prior tariff shall be entitled to continue to receive such discount under the terms of the prior tariff unless and until the program is modified by ordinance of the governing body of the city, in which event such individuals shall be entitled to receive only the discount provided under the terms of the modified program, as it may be further modified by ordinance from time to time thereafter.

(3) Nothing in this title shall require the commission to approve the continuation of the program identified in paragraph (2) in whole or part for any person other than an individual identified in paragraph (2).

(s) Powers preserved.—Nothing contained in this title shall be construed to abrogate or limit the executive or legislative powers of a

city that owns a city natural gas distribution operation to legislate or otherwise determine the powers, functions, budgets, activities and mission of the city natural gas distribution operation or any related entity created under subsection (m), including but not limited to, the ownership, governance, management or control thereof. Nothing in this title shall limit or prevent the proper city officials and agencies from conducting audits and examinations of the financial affairs of the city natural gas distribution operation in accordance with their official duties.

(t) Proprietary information.—Proprietary information, trade secrets and competitively sensitive information of a city natural gas distribution operation shall not be public records for purposes of the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law, and shall not be subject to mandatory public disclosure. Nothing in this section shall exempt a city natural gas distribution operation from providing information to the commission pursuant to its obligation under sections 501 (relating to general powers), 504 (relating to reports by public utilities), 505 (relating to duty to furnish information to commission; cooperation in valuing property) and 506 (relating to inspection of facilities and records).

Section 4. Sections 3-100, 3-909 and 5-902 of the Philadelphia Home Rule Charter are abrogated on June 30, 2000, insofar as they are inconsistent with this act.

Section 5. The provisions of this act shall not supersede:

Act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, except for section 4B(1) of that act to the extent that section 4B(1) grants a municipal authority formed pursuant to 66 Pa.C.S. § 2212(m) the power of eminent domain outside its municipal limits.

Act of October 18, 1972 (P.L.955, No.234), known as The First Class City Revenue Bond Act.

Act of December 7, 1982 (P.L.827, No.231), known as The City of Philadelphia Municipal Utility Inventory and Receivables Financing Act.

Section 6. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Section 7. This act constitutes the legislation referred to in section 33(3) of the act of May 12, 1999 (P.L. , No.4), entitled "An act amending the act of March 4, 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,' revising and adopting sales and use tax provisions on processing exclusions, credit sales and bad debt sales; revising personal income tax provisions on small corporations; expanding eligibility for special poverty provisions; revising estimated tax declarations; eliminating Lottery Fund transfers; revising corporate net income tax provisions on nonprofit organizations, net loss deductions and apportionment of business income; revising capital stock franchise tax provisions to reduce the rate of taxation, reduce the minimum tax, and further provide for capital stock franchise tax exemptions, exclusions and proceeds; eliminating the utilities gross receipts tax on natural gas; making omnibus amendments to the public utility realty tax; providing for a tax credit for coal waste removal and ultraclean fuels; further providing for malt beverage tax credits; further providing for the rate of taxation for the Public Transportation Assistance Fund; further providing for estimated tax, for payment of harness and thoroughbred racing taxes and for corporate tax treatment of automobile clubs; and making a repeal." The Secretary of Revenue shall publish notice of the enactment of this act in the Pennsylvania Bulletin.

Section 8. The following acts and parts of acts are repealed insofar as they are inconsistent with this act:

Act of June 25, 1919 (P.L.581, No.274), referred to as the First Class City Government Law.

Act of April 21, 1949 (P.L.665, No.155), known as the First Class City Home Rule Act.

Section 9. This act shall take effect as follows:

(1) The following provisions shall take effect June 30, 2000:

(i) The addition of the definition of "city natural gas distribution operation" in 66 Pa.C.S. § 102.

(ii) The inclusion of a city natural gas distribution operation in the definition of "natural gas distribution company" in 66 Pa.C.S. § 2202.

(iii) The addition of 66 Pa.C.S. § 2212.

(iv) Section 4 of this act.

(v) Section 8 of this act.

(2) The following provisions shall take effect immediately:

(i) The addition of 66 Pa.C.S. § 2203(15).

(ii) This section.

(3) The following provisions shall take effect July 1, 1999, or immediately, whichever is later:

(i) The amendment of 66 Pa.C.S. §§ 1307(f) and (g), 1317 and 1318.

(ii) The addition of 66 Pa.C.S. § 2201.

(iii) Except as provided in paragraph (1)(ii), the addition of 66 Pa.C.S. § 2202.

(iv) Except as provided in paragraph (2)(i), the addition of 66 Pa.C.S. § 2203.

(v) The addition of 66 Pa.C.S. §§ 2204 through 2211.

On the question,

Will the Senate agree to the amendment?

#### RHOADES AMENDMENT A3016 TO A2822

Senator RHOADES offered the following amendment No. A3016 to amendment No. A2822:

Amend Amendments, page 6, by inserting between lines 50 and 51:

Section 2.1. Title 66 is amended by adding a chapter to read:

#### CHAPTER 20

#### UTILITY INDUSTRY RESTRUCTURING

Sec.

2001. Applicability.

2002. Findings and purposes.

2003. Requirements.

2004. Requirements related to work force reduction.

2005. Displaced employee program.

2006. Transfers of ownership.

2007. Transfers to certain subsidiaries.

2008. Existing sales agreements.

§ 2001. Applicability.

In addition to any other specific requirements contained in this title, the provisions of this chapter shall apply to the restructuring or deregulation of any public utility industry.

§ 2002. Findings and purposes.

(1) The reliability and safety of the public utility industries subject to this title have depended on a work force of skilled and dedicated employees equipped with technical training and experience.

(2) The integrity and reliability of their systems also have depended on each industry's commitment to invest in regular inspection and maintenance, to assure that they can withstand the demands of heavy service requirements and emergency situations.

(3) It is in the Commonwealth's interest to protect the interests of public utility employees who have dedicated themselves to assuring reliable service to the citizens of this Commonwealth and who otherwise might be economically displaced in a restructured industry.

§ 2003. Requirements.

The General Assembly further finds that it is necessary to assure that employees operating in a restructured or deregulated public utility industry have the requisite skills, knowledge and competence to pro-

vide safe, adequate and reliable service and, therefore, all public utilities and all other persons providing services to consumers using the facilities of a public utility shall be required to demonstrate the competence of their employees to work in the public utility industry. The knowledge, skills and competence levels to be demonstrated shall be consistent with those generally required of or by comparable public utilities in this Commonwealth with respect to their employees. Adequate demonstration of requisite knowledge, skills and competence shall include such factors as completion by the employee of an accredited or otherwise recognized apprenticeship program for the particular craft, trade or skill, or specified years of employment with a public utility or similar business performing the particular work function. To implement this requirement, the commission, in determining that a person or public utility meets the standards required by this chapter, shall require the person or public utility to demonstrate that the person or public utility is licensed to do business in this Commonwealth and that the employees of the person or public utility that will be installing, operating and maintaining facilities and services within this Commonwealth, or any other entity which the person or public utility has contracted to perform those functions within this Commonwealth, have the requisite knowledge, skills and competence to perform those functions in a safe and responsible manner in order to provide safe, adequate and reliable service in accordance with the criteria stated herein.

§ 2004. Requirements related to work force reduction.

(a) Work force reduction plan.—The General Assembly finds based on experience in industries that have undergone deregulation, restructuring and transition, that the introduction of competition into this Commonwealth's regulated industries may result in work force reductions by public utilities which may adversely affect persons who have been employed in this Commonwealth's regulated industries in functions important to the public convenience and necessity. The General Assembly further finds that the impacts on employees and their communities of any necessary reductions in the industry's work force directly caused by the restructuring or deregulation of an industry subject to this title shall be mitigated to the extent practicable through such means as offers of voluntary severance, retraining, early retirement, outplacement, continuation of medical benefits and related benefits. Therefore, before any such reduction in the work force, a public utility shall present to its employees or their representatives a work force reduction plan outlining the means by which the public utility intends to reasonably mitigate the impact of such work force reduction on its employees.

(b) Employee termination.—Beginning May 1, 1999, if a public utility lays off or terminates any of its employees, except for just cause, the public utility shall provide the commission with sufficient information to show that with the reduction of employees the public utility will still be able to ensure the safety, adequacy and reliability of service to all customers and provide at least 60 days' written notice of such layoff or termination to the public utility's employees or the employees' authorized bargaining representative.

§ 2005. Displaced employee program.

The Department of Labor and Industry shall establish and implement a program to assist the employees of a public utility who are displaced by restructuring or deregulation. The program shall be designed to assist employees in obtaining employment and shall consist of utilizing the Federal funds available for the purpose of retraining and outplacement services for such employees.

§ 2006. Transfers of ownership.

In the event of a sale, purchase, or any other transfer of ownership of a public utility, or of one or more Pennsylvania divisions or business units of a public utility, the existing public utility's contracts and/or agreements with the acquiring person shall require that the acquiring person shall hire a sufficient number of nonsupervisory employees to operate and maintain the facilities and services of the public utility by initially making offers of employment to the nonsupervisory work force of the public utility, or the division or business unit of the public utility being transferred, at no less than the wage rates and substantially equivalent fringe benefits and terms and conditions of employment that are in effect at the time of transfer of ownership of said division or business unit and said wage rates and substantially equivalent fringe benefits and terms of and conditions of employment shall continue for

at least 30 months from the time of said transfer of ownership unless the public utility, the acquiring person and the affected employees mutually agree to different terms and conditions of employment within that 30-month period. The public utility shall offer a transition plan to those employees who are not offered jobs by the acquiring person because that person has a need for fewer workers. If there is litigation concerning the sale or other transfer of ownership of the public utility, or the division or business unit of the public utility, the 30-month period will begin on the date the acquiring person takes control or management of the public utility or the division or business unit of the public utility.

§ 2007. Transfers to certain subsidiaries.

If a public utility transfers ownership of one or more Pennsylvania divisions or business units to a majority-owned subsidiary of the public utility or to any affiliated interest of the public utility as defined in section 2101 (relating to definition of affiliated interest), that subsidiary or affiliated interest shall continue to employ the public utility's employees who were employed by the public utility at such division or business unit at the time of the transfer under the same terms and conditions of employment as those employees enjoyed at the time of the transfer. If ownership of the subsidiary or affiliated interest is subsequently sold or transferred to a third party, these provisions shall continue to apply.

§ 2008. Existing sales agreements.

The provisions of sections 2006 (relating to transfers of ownership) and 2007 (relating to transfers to certain subsidiaries) shall not apply to the transfer of any division or business unit of a public utility which was the subject of an executed sales agreement entered into before January 1, 1999.

Amend Amendments, page 34, by inserting after line 50:

(4) The addition of 66 Pa.C.S. §§ 2004(b) and 2203(15) shall take effect May 1, 1999.

On the question,

Will the Senate agree to amendment A3016 to amendment A2822?

The PRESIDENT pro tempore. For the benefit of the Members, I think it would be well, Senator Piccola, if you would explain the amendment, and then, Senator Rhoades, if you would explain the amendment to the amendment. I would ask the Members to be aware if there are any questions, you can ask the authors of the amendments.

The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Mr. President, this amendment to House Bill No. 1331, which I rise to support, would transfer the present language of House Bill No. 1331 and make it substantially the same as the language of Senate Bill No. 601, which this body passed by a very large margin on June 7, dealing with gas deregulation in the Commonwealth of Pennsylvania. The only difference between that and what was passed last week is the addition of a provision that would place the Philadelphia Gas Works under the jurisdiction of the Pennsylvania Public Utility Commission.

Senate Bill No. 601 and this amendment were the result of a collaborative that was held over the last year or two under the leadership of the chairman of the Pennsylvania Public Utility Commission, Mr. John Quain. During that collaborative, many, many issues were discussed and all of the stakeholders involved in the natural gas industry were present and participated in the stakeholders' meeting and signed off on the collaborative. These stakeholders included marketers, local distribution companies,

consumers, and in addition it included representatives from labor. Everyone was at the table, everyone had the right to participate, and everyone, while they did not get everything they wanted, went away and signed off on the agreement, or virtually everyone.

It is important to remember that what this will be doing is deregulating the commodity of natural gas. The pipeline systems, the transmission pipelines, as well as the local distribution pipelines, will continue to be regulated by the Pennsylvania Public Utility Commission and strictly monitored as to safety and reliability. The amendment that I am offering includes, among many other things, labor protections for gas utility employees, and if I could, Mr. President, I would like to just briefly indicate what those labor protections are.

One of the most important protections is that if a distribution company unbundles its services before that order can be approved by the PUC, the Commission shall, it is mandatory, shall consider the impact of such unbundling upon the labor force.

In addition, each natural gas distribution company shall set forth in its restructuring filing an initial proposal to meet its employees' transition obligations that might be precipitated by the requirements of the chapter that we are adopting in this legislation.

Probably one of the most important protections to the employees is contained in Section 2203, which provides that for a 36-month period beginning May 1 of this year, if a natural gas company lays off or terminates an employee, except for cause, that it must provide the Public Utility Commission with information that that company is still able to ensure safety and reliability, and most importantly, they must provide 60 days' written notice to the company's employees' authorized bargaining representative.

In addition, under this amendment and the bill, the Department of Labor and Industry shall establish and implement a program to provide assistance to employees of natural gas distribution companies who have been displaced by the transition to competition. The program shall help in obtaining employment and utilizing Federal funds for training and out-placement services.

In addition, under the provisions of this bill, the natural gas distribution companies shall continue to be responsible for the billing of all of their customers. So that function remains with the gas distribution company, the responsibility for that function. And in addition, the responsibility for meter reading, installation, testing and maintenance, and emergency responses also remain the responsibility of the natural gas distribution company.

In addition, during a 5-year period following the effective date of this act, approval of an alternative supplier of last resort that is provided for in subsection (e) shall not be granted unless the entity designated by the Commission to succeed the natural gas distribution company in the provision of that service to those customers agrees to recognize all relevant union and collective bargaining agreements of the natural gas company then in place.

Finally, in the event of any mergers, consolidations, acquisitions of companies, before those could be approved, the Com-

mission shall consider the effect of the proposed merger, consolidation, acquisition or distribution, the disposition on the employees of the natural gas distribution company and on any collective bargaining agreement that might be in effect for those employees.

So as you can see, this amendment does in fact provide for quite substantial protections for employees of the gas industry. I urge that the Senate adopt the amendment, and at the appropriate time, Mr. President, I would like to debate the amendment to the amendment.

**The PRESIDENT (Lieutenant Governor Mark S. Schweiker) in the Chair.**

The PRESIDENT. The Chair recognizes the gentleman from Schuylkill, Senator Rhoades.

Senator RHOADES. Mr. President, this amendment to the amendment in turn will re-establish or keep the Gannon amendment that was introduced in the House. I think we all admit deregulation in the utility industry has had a harsh impact on workers. Once deregulation plans are announced, companies are put into play, meaning they become prime targets for restructuring, hostile takeovers, mergers, acquisitions, and corporate manipulations. Workers who have given years of their work life not only to the company but to learning and practicing the skills provided for very safe and reliable utility services to the customers face the prospect of job loss or being transferred to a new company.

The proposed amendment to the amendment that I am offering is designed to cover all utility restructuring, and it would include not only gas but all people affected within the utilities.

One, it would require a 60-day prior notice to those being laid off.

Two, it would require in a layoff that the utility show that the layoff will not adversely affect safety or reliability. I think that is a key issue, especially for consumers.

Three, it must protect the safety and reliability of the gas, electric, or other utility service by requiring that employees have the requisite skill, knowledge, and ability to perform the tasks required. It requires that in the transfer of ownership, that the new owner be required to hire a sufficient number of non-supervisory personnel to safely and reliably run and maintain the system, and provides further that for 30 months employees receive the same wages and equivalent fringe benefits in terms and conditions of employment.

It also requires that should there be a reduction in the work force, the utilities shall present to its employees a work force reduction plan outlining the measures by which the business intends to reasonably mitigate the impact of the work force reduction on the workers.

I had an opportunity to look through other States - Connecticut, Illinois, Maine, Massachusetts, and New Jersey - and found that I think their employee protection program is much more stringent than ours, and much more costly than ours. Ours is merely to protect, and I say merely, but very importantly to protect people who have skills, ability, know their job, and are about to lose it because of some corporate maneuver, merger, or

whatever else we have. I think in this age of these mergers, consolidation, and buy-outs, it is only appropriate that the faithful, skilled, and knowledgeable employees be treated with respect and dignity and not as a number or a nonentity. They are our neighbors and our friends, and I ask for your positive vote on this amendment.

Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Mr. President, I urge a negative vote on the amendment to the amendment.

First of all, this amendment goes well beyond the gas industry. This bill was originated, as I indicated in my previous remarks, as a result of a collaborative in the gas industry. This amendment to the amendment would apply to all utility restructuring, whether it be in gas, electric, telecommunications, or what have you. It is my view, and I believe the view of most people in this field, that these issues need to be separated and treated differently. There are different issues involved in each industry. The gas industry, including labor, has come to an agreement about what should be the labor protections in the gas industry. That is embodied in my amendment as it stands. We should not be including these unrelated utility issues in the gas bill.

Secondly, as I indicated, this was the agreed-to collaborative, and when we violate that agreed-to collaborative, we run the risk of having this bill defeated, not becoming law. And what happens when that occurs? If we do not enact this bill today and get this bill signed by the Governor before we break for the summer, the people of Pennsylvania, the gas consumers of Pennsylvania, will not be able to enjoy the benefits of deregulation for at least another year or more. And one of the most significant portions of that deregulation will be the fact that this legislation, when signed by the Governor, will trigger an elimination of the gross receipts tax on natural gas, which will represent a 5-percent reduction in the cost of natural gas to the average consumer. If we fail to do this by the end of today, that savings to the consumer of Pennsylvania of natural gas will be delayed for at least a year or more.

So, Mr. President, I think we need to stick with the agreement. We need to defeat the amendment to the amendment and adopt the amendment which I have offered.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Bell.

Senator BELL. Mr. President, the bill that passed the Senate was a very fair bill, but there was an agreement with all the parties that would be binding as the bill moved through the Senate. There was no agreement made by me as to what would happen in the House of Representatives. Now, the Governor can very well sign the bill with, again, an amendment just as well as he can sign a bill that passes the Senate originally. So let us wipe that one out.

Next, who are we dealing with in the Gannon amendment? We are dealing with our neighbors, the utility workmen who in times of storms restore the electric lines, the people who come from our neighborhoods. And this is giving to them the fairness

of treatment that is given to the gas employees. We have the power to do it. And as far as something having to be done today, if the Gannon amendment is ripped out, the House, according to news reports, now I do not know, I have not been talking to the leaders of the House, they do not talk to me very often, but the news reports say the House will insist on the Gannon amendments. So here we have a choice: to be fair to our neighbors who work for the utilities, who work in our neighborhoods, or be nice to the utilities, the electric and water and telephone companies.

Thank you, Mr. President.

**LEGISLATIVE LEAVE CANCELLED**

The PRESIDENT. Senator Helfrick has returned from legislative leave, and that leave is cancelled.

And the question recurring,

Will the Senate agree to amendment A3016 to amendment A2822?

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

**YEA-23**

Belan	Fumo	Mellow	Stout
Bell	Hughes	Musto	Tartaglione
Bodack	Kasunic	O'Pake	Wagner
Boscola	Kitchen	Rhoades	Williams
Costa	Kukovich	Schwartz	Wozniak
Earll	LaValle	Stapleton	

**NAY-26**

Armstrong	Helfrick	Murphy	Tilghman
Brightbill	Holl	Piccola	Tomlinson
Corman	Jubelirer	Punt	Waugh
Dent	Lemmond	Robbins	Wenger
Gerlach	Loeper	Salvatore	White
Greenleaf	Madigan	Slocum	
Hart	Mowery	Thompson	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,

Will the Senate agree to amendment A2822?

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

**YEA-27**

Armstrong	Helfrick	Murphy	Thompson
Bell	Holl	Piccola	Tilghman
Brightbill	Jubelirer	Punt	Tomlinson
Corman	Lemmond	Rhoades	Waugh
Dent	Loeper	Robbins	Wenger
Gerlach	Madigan	Salvatore	White
Greenleaf	Mowery	Slocum	

**NAY-22**

Belan	Hart	Mellow	Tartaglione
Bodack	Hughes	Musto	Wagner
Boscola	Kasunic	O'Pake	Williams
Costa	Kitchen	Schwartz	Wozniak

Earll	Kukovich	Stapleton
Fumo	LaValle	Stout

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

The PRESIDENT. House Bill No. 1331 will go over as amended.

**BILL ON THIRD CONSIDERATION AND FINAL PASSAGE**

**HB 1520 (Pr. No. 1992)** — The Senate proceeded to consideration of the bill, entitled:

An Act authorizing the release of Project 70 restrictions on certain lands owned by the borough of Downingtown, Chester County, in return for imposition of Project 70 restrictions on other lands owned or to be obtained by the Borough of Downingtown, Chester County; and authorizing the release of Project 70 restrictions on certain land owned by the Township of Silver Spring, Cumberland County, in return for the imposition of Project 70 restrictions on certain land to be obtained by the Township of Silver Spring, Cumberland County.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**SECOND CONSIDERATION CALENDAR**

**BILLS OVER IN ORDER**

**SB 8, HB 88, SB 379, HB 443, SB 596, SB 630, SB 669, SB 833, SB 844, SB 930, SB 978 and SB 993** -- Without objection, the bills were passed over in their order at the request of Senator LOEPER.

**HOUSE CONCURRENT RESOLUTION  
No. 13, AMENDED AND ADOPTED**

Senator LOEPER, without objection, called up from page 7 of the Calendar, **House Concurrent Resolution No. 13**, entitled:

A Concurrent Resolution directing the Joint Legislative Air and Water Pollution Control and Conservation Committee to study the issues concerning the renewal and management of this Commonwealth's forests; and creating a task force.

On the question,

Will the Senate adopt the resolution?

Senator LOEPER offered the following amendment No. A2971:

Amend Title, page 1, lines 1 and 2, by striking out all of line 1, "and Conservation Committee to study the" in line 2 and inserting: Establishing a task force to study

Amend Title, page 1, lines 3 and 4, by striking out "and" in line 3, all of line 4 and inserting: providing for an advisory committee; and directing the Joint Legislative Air and Water Pollution Control and Conservation Committee to provide administrative support to the task force

Amend Fifth Whereas Clause, page 1, line 14, by striking out "today"

Amend First Resolve Clause, page 2, line 6, by striking out "leader of the majority party" and inserting: President pro tempore of the Senate

Amend First Resolve Clause, page 2, line 9, by striking out "leader of the majority party" and inserting: Speaker of the House of Representatives

Amend Third Resolve Clause, page 2, line 26, by inserting after "places": within this Commonwealth

Amend Forth Resolve Clause, page 3, line 2, by striking out "government agencies" and inserting: entities

On the question,

Will the Senate agree to the amendment?

It was agreed to.

On the question,

Will the Senate adopt the resolution, as amended?

A voice vote having been taken, the question was determined in the affirmative.

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**SENATE RESOLUTION No. 80, ADOPTED**

Senator LOEPER, without objection, called up from page 7 of the Calendar, **Senate Resolution No. 80**, entitled:

A Resolution urging the Department of Environmental Protection to develop and establish new wastewater technologies for on-lot systems and small flows.

On the question,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

**SENATE RESOLUTION No. 82, ADOPTED**

Senator LOEPER, without objection, called up from page 7 of the Calendar, **Senate Resolution No. 82**, entitled:

A Resolution declaring July 27, 1999, as "Korean War Veterans Armistice Day" in Pennsylvania and urging all government agencies and citizens to fly the American flag at half staff on July 27, 1999, in honor of those Americans who died as a result of their service to the United States in the Korean War.

On the question,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

**REPORTS FROM COMMITTEES**

Senator LOEPER, from the Committee on Rules and Executive Nominations, reported the following bills:

**SB 3 (Pr. No. 1244) (Amended) Rereported) (Concurrence)**

An Act amending Titles 42 (Judiciary and Judicial Procedure) and 71 (State Government) of the Pennsylvania Consolidated Statutes, providing for county-level court administrators and for the transfer of accumulated annual leave and sick leave of certain county administrators transferred to the State judicial personnel system; establishing the Unified Judicial System Transferred County-Level Administrator Leave Fund; requiring certain county payments; requiring periodic reports; providing for the transfer of county-level court administrators to the State Employees' Retirement System; and making a repeal.

**SB 365 (Pr. No. 1240) (Amended) (Rereported) (Concurrence)**

An Act providing for the Northeast Interstate Dairy Compact and for its implementation.

**SB 852 (Pr. No. 1216) (Rereported) (Concurrence)**

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, further providing for written or telephonic price quotations from contractors and for the imposition of an amusement or admission tax on certain facilities.

Senator EARLL, from the Committee on Urban Affairs and Housing, reported the following bill:

**SB 997 (Pr. No. 1239) (Amended)**

An Act requiring purchasers of real estate with buildings thereon to bring the buildings into compliance with municipal codes; providing for nuisance abatement; and imposing penalties.

Senator MOWERY, from the Committee on Public Health and Welfare, reported the following bills:

**SB 670 (Pr. No. 1237) (Amended)**

An Act relating to the licensure and regulation of prescribed pediatric extended care centers in this Commonwealth.

**SB 672 (Pr. No. 1238) (Amended)**

An Act establishing a donated dental services program for certain individuals.

**COMMUNICATION FROM THE GOVERNOR  
REPORTED FROM COMMITTEE ON RULES  
AND EXECUTIVE NOMINATIONS**

Senator LOEPER, from the Committee on Rules and Executive Nominations, by unanimous consent, reported a communication from His Excellency, the Governor of the Commonwealth, recalling the following nomination, which was read by the Clerk as follows:

**MEMBER OF THE PENNSYLVANIA  
LABOR RELATIONS BOARD**

June 16, 1999

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

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated June 4, 1999 for the appointment of Christ J. Zervanos, 709 Hampton Court Road, Harrisburg 17112, Dauphin County, Fifteenth Senatorial District, for appointment as a member of the Pennsylvania Labor Relations Board, to serve until June 2, 2005 and until his successor is appointed and qualified, vice Edward G. Feehan, Levittown, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

THOMAS J. RIDGE  
Governor

**NOMINATION RETURNED TO THE GOVERNOR**

Senator LOEPER. Mr. President, I move that the nomination just read by the Clerk be returned to His Excellency, the Governor.

The motion was agreed to.

The PRESIDENT. The nomination will be returned to the Governor.

**REPORT FROM COMMITTEE ON  
RULES AND EXECUTIVE NOMINATIONS**

Senator LOEPER, from the Committee on Rules and Executive Nominations, reported the following nominations made by His Excellency, the Governor of the Commonwealth, which were read by the Clerk as follows:

**MEMBER OF THE STATE BOARD  
OF BARBER EXAMINERS**

May 10, 1999

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, Cheryl A. McDermott, 1313 Stowe Avenue, McKees Rocks 15136, Allegheny County, Forty-second Senatorial District, for reappointment as a member of the State Board of Barber Examiners, to serve for a term of three years and until her successor is appointed and qualified, but not longer than six months beyond that period.

THOMAS J. RIDGE  
Governor

**MEMBER OF THE BOARD OF TRUSTEES OF  
EASTERN YOUTH DEVELOPMENT CENTER**

May 26, 1999

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, Philip J. McShane, 20 Herald Place, Aston 19014, Delaware County, Ninth Senatorial District, for appointment as a member of the Board of Trustees of Eastern Youth Development Center, to serve until the third Tuesday of January 2005, and until his successor is appointed and qualified, vice Louis H. Carter, Philadelphia, resigned.

THOMAS J. RIDGE  
Governor

**MEMBER OF THE STATE BOARD  
OF OPTOMETRY**

May 10, 1999

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 A. Linder (Public Member), 101 Hamilton Court, Baden 15005, Beaver County, Forty-seventh Senatorial District, for appointment as a member of the State Board of Optometry, to serve until October 21, 2001 or until his successor is appointed and qualified, but not longer than six months beyond that period, vice James K. Hanna, Bethel Park, resigned.

THOMAS J. RIDGE  
Governor

**MEMBER OF THE BOARD OF TRUSTEES OF  
POLK CENTER**

April 6, 1999

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, James C. Culbertson, 305 Gilifallen Street, Franklin 16323, Venango County, Twenty-first Senatorial District, for appointment as a member of the Board of Trustees of Polk Center, to serve until the third Tuesday of January 2003, and until his successor is appointed and qualified, vice Sara A. Sattler, Pittsburgh, resigned.

THOMAS J. RIDGE  
Governor

MEMBER OF THE STATE BOARD OF SOCIAL  
WORKERS, MARRIAGE AND FAMILY THERAPISTS  
AND PROFESSIONAL COUNSELORS

May 10, 1999

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, Raymond W. Hoover, 1729 Cushing Greene, Camp Hill 17011, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the State Board of Social Workers, Marriage and Family Therapists and Professional Counselors, to serve for a term of three years and until his successor is appointed and qualified, but not longer than six months beyond that period, pursuant to Act 136, approved December 21, 1998.

THOMAS J. RIDGE  
Governor

MEMBER OF THE MCKEAN COUNTY  
BOARD OF ASSISTANCE

May 26, 1999

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, Karen R. Gelston (Democrat), 500 Hedgehog Lane, Bradford 16701, McKean County, Twenty-fifth Senatorial District, for appointment as a member of the McKean County Board of Assistance, to serve until December 31, 1999, and until her successor is appointed and qualified, vice Audrey L. Lane, Turtlepoint, resigned.

THOMAS J. RIDGE  
Governor

***NOMINATIONS LAID ON THE TABLE***

Senator LOEPER. Mr. President, I request that the nominations just read by the Clerk be laid on the table.

The PRESIDENT. The nominations will be laid on the table.

**EXECUTIVE NOMINATIONS**

***EXECUTIVE SESSION***

Motion was made by Senator LOEPER,

That the Senate do now resolve itself into Executive Session for the purpose of considering certain nominations made by the Governor.

Which was agreed to.

***NOMINATIONS TAKEN FROM THE TABLE***

Senator LOEPER. Mr. President, I ask unanimous consent to call from the table certain nominations and ask for their consideration.

The Clerk read the nominations as follows:

MEMBER OF THE STATE BOARD  
OF BARBER EXAMINERS

May 10, 1999

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, Cheryl A. McDermott, 1313 Stowe Avenue, McKees Rocks 15136, Allegheny County, Forty-second Senatorial District, for reappointment as a member of the State Board of Barber Examiners, to serve for a term of three years and until her successor is appointed and qualified, but not longer than six months beyond that period.

THOMAS J. RIDGE  
Governor

MEMBER OF THE BOARD OF TRUSTEES OF  
EASTERN YOUTH DEVELOPMENT CENTER

May 26, 1999

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, Philip J. McShane, 20 Herald Place, Aston 19014, Delaware County, Ninth Senatorial District, for appointment as a member of the Board of Trustees of Eastern Youth Development Center, to serve until the third Tuesday of January 2005, and until his successor is appointed and qualified, vice Louis H. Carter, Philadelphia, resigned.

THOMAS J. RIDGE  
Governor

MEMBER OF THE STATE BOARD  
OF OPTOMETRY

May 10, 1999

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 A. Linder (Public Member), 101 Hamilton Court, Baden 15005, Beaver County, Forty-seventh Senatorial District, for appointment as a member of the State Board of Optometry, to serve until October 21, 2001 or until his successor is appointed and qualified, but not longer than six months beyond that period, vice James K. Hanna, Bethel Park, resigned.

THOMAS J. RIDGE  
Governor

MEMBER OF THE BOARD OF TRUSTEES OF  
POLK CENTER

April 6, 1999

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, James C. Culbertson, 305 Gilifallen Street, Franklin 16323, Venango County, Twenty-first Senatorial District, for appointment as a member of the Board of Trustees of Polk Center, to serve until the third Tuesday of January 2003, and until his successor is appointed and qualified, vice Sara A. Sattler, Pittsburgh, resigned.

THOMAS J. RIDGE  
Governor

MEMBER OF THE STATE BOARD OF SOCIAL WORKERS, MARRIAGE AND FAMILY THERAPISTS AND PROFESSIONAL COUNSELORS

May 10, 1999

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, Raymond W. Hoover, 1729 Cushing Greene, Camp Hill 17011, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the State Board of Social Workers, Marriage and Family Therapists and Professional Counselors, to serve for a term of three years and until his successor is appointed and qualified, but not longer than six months beyond that period, pursuant to Act 136, approved December 21, 1998.

THOMAS J. RIDGE  
Governor

MEMBER OF THE MCKEAN COUNTY BOARD OF ASSISTANCE

May 26, 1999

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, Karen R. Gelston (Democrat), 500 Hedgehog Lane, Bradford 16701, McKean County, Twenty-fifth Senatorial District, for appointment as a member of the McKean County Board of Assistance, to serve until December 31, 1999, and until her successor is appointed and qualified, vice Audrey L. Lane, Turtlepoint, resigned.

THOMAS J. RIDGE  
Governor

On the question,  
Will the Senate advise and consent to the nominations?

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

YEA-49

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger

Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.  
Ordered, That the Governor be informed accordingly.

EXECUTIVE SESSION RISES

Senator LOEPER. Mr. President, I move that the Executive Session do now rise.  
The motion was agreed to.

SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 2

SENATE CONCURS IN HOUSE AMENDMENTS

SB 365 (Pr. No. 1240) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for the Northeast Interstate Dairy Compact and for its implementation.

On the question,  
Will the Senate concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 365?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 365.

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

The PRESIDENT. The Chair recognizes the gentleman from Bradford, Senator Madigan.

Senator MADIGAN. Mr. President, today we are taking a historic step to aid one of our State's most important industries, our dairy industry. With the passage of this bill, Pennsylvania will be on track to join the Northeast Dairy Compact, a multi-State organization that is going to help stabilize milk prices to the benefit of our small dairy farmers. Right now Pennsylvania is losing its small milk producing operations, in part because prices fluctuate broadly, often plummeting to levels that do not allow farmers to maintain their businesses. In fact, over the past 5 years, our State has lost 2,000 dairies. This has a significant impact on our rural economies. Small farms create jobs, contribute to the local tax base, and purchase local goods. They are vital to our small rural Pennsylvania communities and contribute greatly to our State's broader economic picture.

In short, dairy farming is one of the backbones of agriculture in Pennsylvania, and agriculture is, in turn, the key contributor

to our economy. When dairy farmers face financial hardship, that hardship is felt throughout all of our State. The reverse is also true: when dairy farmers prosper, we all benefit.

I would like to thank my colleagues for supporting this measure, especially Senator Wenger and Senator Slocum, and in the House, Representative Ray Bunt and Representative Cappabianca. Thanks to their hard work and support, Pennsylvania dairymen may soon benefit from a better pricing structure that does not force them to struggle to survive, but allows them to make a fair wage and a good living.

I encourage a "yes" vote on this legislation.

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

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

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**SENATE CONCURS IN HOUSE AMENDMENTS**

**SB 852 (Pr. No. 1216)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, further providing for written or telephonic price quotations from contractors and for the imposition of an amusement or admission tax on certain facilities.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 852?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 852.

On the question,

Will the Senate agree to the motion?

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

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE**

**HB 157 (Pr. No. 2109)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of May 1, 1933 (P.L. 103, No.69), known as The Second Class Township Code, further providing for auditor's compensation.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

Ordered, That the Secretary of the Senate 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.

**SB 262 (Pr. No. 1243)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for obscene and other sexual materials and performances.

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:

**YEA-49**

Armstrong	Hart	Mowery	Tartaglione
Belan	Helfrick	Murphy	Thompson
Bell	Holl	Musto	Tilghman
Bodack	Hughes	O'Pake	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	
Greenleaf	Mellow	Stout	

**NAY-0**

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

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

**SENATE RESOLUTION No. 90, ADOPTED**

Senator LOEPER, without objection, called up from page 2 of Supplemental Calendar No. 2, **Senate Resolution No. 90**, entitled:

A Resolution designating September 25, 1999, as "Unity Day" in Pennsylvania.

On the question,  
Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 3**

**BILL AMENDED**

**HB 314 (Pr. No. 2110)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, further providing for the State Veterans' Commission and for the Pennsylvania Veterans' Memorial Commission.

On the question,  
Will the Senate agree to the bill on third consideration?  
Senator SLOCUM offered the following amendment No. A3025:

Amend Sec. 2, page 3, line 24, by striking out "in 60 days" and inserting: immediately

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 LOEPER.

**BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE**

**HB 779 (Pr. No. 2111)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for police animals; and providing penalties.

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:

**YEA-48**

Armstrong	Hart	Mellow	Stapleton
Belan	Helfrick	Mowery	Stout
Bell	Holl	Murphy	Tartaglione
Bodack	Hughes	Musto	Thompson
Boscola	Jubelirer	O'Pake	Tilghman
Brightbill	Kasunic	Piccola	Tomlinson
Corman	Kitchen	Punt	Wagner
Costa	Kukovich	Rhoades	Waugh
Dent	LaValle	Robbins	Wenger
Fumo	Lemmond	Salvatore	White
Gerlach	Loeper	Schwartz	Williams
Greenleaf	Madigan	Slocum	Wozniak

**NAY-1**

Earl

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

Ordered, That the Secretary of the Senate 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.

**CONSIDERATION OF CALENDAR RESUMED****THIRD CONSIDERATION CALENDAR RESUMED****HB 456 CALLED UP**

**HB 456 (Pr. No. 1534)** — Without objection, the bill, which previously went over in its order temporarily, was called up, from page 3 of the Third Consideration Calendar, by Senator LOEPER.

**BILL AMENDED**

**HB 456 (Pr. No. 1534)** — The Senate proceeded to consideration of the bill, entitled:

An Act establishing the Safe and Secure Schools Program to assist school districts and area vocational-technical schools in the purchase of equipment, provision of special services and in the development of programs to enhance school safety, and providing for duties of the Department of Education.

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

**RHOADES AMENDMENT A2805**

Senator LOEPER, on behalf of Senator RHOADES, offered the following amendment No. A2805:

Amend Title, page 1, lines 1 through 5, by striking out all of said lines and inserting:

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing for office for safe schools.

Amend Bill, page 1, lines 8 through 15; pages 2 through 4, lines 1 through 30; page 5, lines 1 through 4, by striking out all of said lines on said pages and inserting:

Section 1. Section 1302-A(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, added June 30, 1995 (P.L.220, No.26), is amended to read:

Section 1302-A. Office for Safe Schools.—\* \* \*

(c) In addition to the powers and duties set forth under subsection (a), the office is authorized to make targeted grants to schools to fund programs which address school violence, including, but not limited to, the following programs:

- (1) Conflict resolution or dispute management.
- (2) Peer helpers programs.
- (3) Risk assessment, safety-related or violence prevention curricula.
- (4) Classroom management.
- (5) Student codes of conduct.
- (6) Training to undertake a districtwide assessment of risk factors that increase the likelihood of problem behaviors among students.
- (7) Development and implementation of research-based violence prevention programs that address risk factors to reduce incidents of problem behaviors among students.
- (8) Comprehensive, districtwide school safety and violence prevention plans.
- (9) Security planning, purchase of security-related technology which may include metal detectors, protective lighting, surveillance equipment, special emergency communications equipment, electronic locksets, deadbolts and theft control devices and training in the use of security-related technology. Security planning and purchase of security-

related technology shall be based on safety needs identified by the school entity's board of directors.

(10) Institution of student, staff and visitor identification systems.

(11) Establishment or enhancement of school security personnel including school resource officers.

(12) Provision of specialized staff and student training programs, including training for Student Assistance Program team members.

(13) Alternative education programs provided for in Article XIX-C.

(14) Counseling services for students enrolled in alternative education programs.

\* \* \*

Section 2. This act shall take effect July 1, 1999.

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

**SCHWARTZ AMENDMENT A3024 TO A2805**

Senator BODACK, on behalf of Senator SCHWARTZ, offered the following amendment No. A3024 to amendment No. A2805:

Amend Amendments, page 2, line 10, by inserting after "members": in elementary, middle and high schools in the referral of students at risk of violent behavior to appropriate community-based services, including mental health services

On the question,  
Will the Senate agree to amendment A3024 to amendment A2805?

It was agreed to.

On the question,  
Will the Senate agree to amendment A2805, as amended?  
It was agreed to.

The PRESIDENT. House Bill No. 456 will go over in its order as amended.

**RECESS**

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, at this time I ask for a recess of the Senate for the purpose of Members to have dinner, and I ask all Members to be available in their offices for a potential call back to the floor at approximately 10 p.m.

The PRESIDENT. For the purpose of having dinner and awaiting a call at 10 p.m.—

Senator LOEPER. Mr. President, I have been advised, do not even go to your offices, come to the floor at 10 p.m. and our Supplemental Calendars will be available by that time.

The PRESIDENT. For the purpose of departing for dinner and reporting to the floor for important business at 10 p.m., the Senate stands in recess.

**AFTER RECESS**

The PRESIDENT. The time of recess having expired, the Senate will come to order.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 4**

**HB 1331 CALLED UP OUT OF ORDER**

**HB 1331 (Pr. No. 2112)** — Without objection, the bill was called up out of order, from page 2 of Supplemental Calendar No. 4, by Senator LOEPER, as a Special Order of Business.

**BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE**

**HB 1331 (Pr. No. 2112)** — The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, providing for supply choice for customers of natural gas utilities and for restructuring of the natural gas utility industry, and making repeals.

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 PRESIDENT. The Chair recognizes the gentleman from Warren, Senator Slocum.

Senator SLOCUM. Mr. President, I rise to support House Bill No. 1331. I had some problems with the bill as it was presently put together with the capacity assignment and bonding with some of the small marketers in my area, but I have a letter from the Chairman of the Public Utility Commission, which I ask to be entered into the record, that appeases those concerns. So I rise to support House Bill No. 1331 and ask my colleagues to do the same.

The PRESIDENT. Without objection, the remarks will be entered into the record.

*(The following correspondence was made a part of the record at the request of the gentleman from Warren, Senator SLOCUM:)*

Pennsylvania Public Utility Commission  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania

June 15, 1999

Honorable William L. Slocum  
Senate of Pennsylvania  
457 Main Capitol  
Harrisburg, PA 17105

**Re: Capacity Assignment and Bonding**

Dear Senator Slocum:

This is in reference to your questions concerning two portions of S.B. 601 and H.B. 1331 dealing with the mandatory assignment of capacity and bonding requirements. I have discussed these sections with our staff in great detail, and for the reasons I have set forth below, it is our contention that neither section operates to the prejudice of Pennsylvania natural gas suppliers.

**Mandatory Assignment of Capacity - Section 2204**

Section 2204, the mandatory assignment of capacity, will not apply to Pennsylvania producers who are serving customers at the time the bill is enacted. This section is prospective, and it is only intended to apply when a marketer seeks to expand its base by signing on new customers for whom interstate pipeline capacity has already been purchased by a natural gas distribution company. It is important to understand that this section refers to "capacity," that is, space on the interstate pipeline system needed to transport natural gas to the "city gate," the starting point of the NGDC distribution system.

Again, not all customers and producers are affected by mandatory assignment. Considering the structure of the natural gas system, and reading subsections 2204(3) and (4) in conjunction, we conclude that producers serve end users under one of three possible scenarios. Any producer, including Pennsylvania producers, will fall within one of these scenarios, only one of which contemplates mandatory assignment of interstate pipeline capacity.

In the first scenario, the producer and end user are both behind the distribution system "city gate." In this case, the supplier arranging for a sale does not use interstate pipeline capacity and consequently Section 2204 does not apply.

In the second scenario, the producer and/or end user are in front of the distribution system "city gate," but the end user is not an NGDC interstate pipeline customer. This is the case with some pilot program customers. Section 2204 does not apply, as there is no interstate pipeline capacity procured by the NGDC on behalf of the end user.

In the third scenario, the end user is served on the NGDC system, and the NGDC has procured interstate pipeline capacity to move gas to that customer. If the end user becomes the "new" customer of a supplier, mandatory assignment of capacity may apply.

In sum, Section 2204 is intended to avoid stranded costs associated with interstate pipeline capacity already under contract. It is not intended to, nor does it, shut in supply, including Pennsylvania supply.

**Bonding Requirements - Section 2208**

The bonding requirement set forth at Section 2208(c) came about as a result of the concern that a supplier might default on a gas supply contract leaving the NGDC as the supplier of last resort to pick up the shortfall.

The Commission is the ultimate determiner of the bonding criteria considering the factors listed at Section 2208(c)(1)(i). The Commission is not limited to those factors. There is significant flexibility in setting the level of bonds, and this flexibility is intentional, as suppliers with established business and proven records of customer service may not need to provide the same level of security as a new entrant might.

The criteria for determining the form and amount of the security or bond may either be initially set forth in the NGDC's restructuring filing or the NGDC and the supplier may agree to the form of security and amount. If they cannot agree, then the Commission approves the criteria to be used in setting the security. Thus, the Commission, not the NGDC, has ultimate control over the amount and terms of the security, and any attempt by an NGDC to drive a supplier out of the market by arbitrarily setting an unreasonable bond amount would come before the Commission.

To attempt to exempt Pennsylvania suppliers from the bonding requirement would appear to be, on its face, violative of the Interstate Commerce Clause of the United States Constitution. Requiring out-of-state-producers to secure bonds or other securities would, in our opinion, be considered by the federal courts to be an unconstitutional financial burden on interstate commerce not shared by intrastate participants.

Beyond this federal Constitutional difficulty, exempting Pennsylvania producers from the bonding requirement would deprive the Commission of one of the tools deemed necessary by the parties to the collaborative (including the Office of Consumer Advocate) to protect customers from the economic fall-out of a defaulting supplier.

Finally, it should be noted that a bond is not the only financial instrument contemplated by Section 2208(c). The Act refers to a bond, "...or other security."

I hope that this is responsive to your concerns and questions. Please call me at (717) 783-7349 if I can provide any further information with respect to these matters.

Sincerely,

JOHN M. QUAIN  
Chairman

LEGISLATIVE LEAVE

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I request that we change Senator Conti's leave from a personal leave to a legislative leave.

The PRESIDENT. Without objection, that leave is granted.

And the question recurring,  
Shall the bill pass finally?

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

YEA-43

Armstrong	Greenleaf	Mellow	Stapleton
Bell	Hart	Mowery	Stout
Bodack	Helfrick	Murphy	Thompson
Boscola	Holl	Musto	Tilghman
Brightbill	Jubelirer	OPake	Tomlinson
Conti	Kasunic	Piccola	Wagner
Corman	Kukovich	Punt	Waugh
Costa	LaValle	Rhoades	Wenger
Dent	Lemmond	Robbins	White
Earll	Loeper	Salvatore	Wozniak
Gerlach	Madigan	Slocum	

NAY-7

Belan	Hughes	Schwartz	Williams
Fumo	Kitchen	Tartaglione	

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

Ordered, That the Secretary of the Senate 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.

SENATE CONCURS IN HOUSE AMENDMENTS

SB 3 (Pr. No. 1244) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 42 (Judiciary and Judicial Procedure) and 71 (State Government) of the Pennsylvania Consolidated Statutes, providing for county-level court administrators and for the transfer of accumulated annual leave and sick leave of certain county administrators transferred to the State judicial personnel system; establishing the Unified Judicial System Transferred County-Level Administrator Leave Fund; requiring certain county payments; requiring periodic reports; providing for the transfer of county-level court administrators to the State Employees' Retirement System; and making a repeal.

On the question,  
Will the Senate concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 3?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 3.

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

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

YEA-50

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	OPake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

NAY-0

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE

HB 314 (Pr. No. 2114) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, further providing for the State Veterans' Commission and for the Pennsylvania Veterans' Memorial Commission.

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:

YEA-50

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman

Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

Ordered, That the Secretary of the Senate 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.

**HOUSE MESSAGE**

**HOUSE CONCURS IN SENATE AMENDMENTS BY AMENDING SAID AMENDMENTS TO HOUSE BILL**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate by amending said amendments to **HB 10**, in which concurrence of the Senate is requested.

**MOTION TO SUSPEND RULE XIV**

Senator LOEPER. Mr. President, I move to suspend Rule XIV to the extent that it requires that House Bill No. 10, as amended, be referred to Committee on Rules and Executive Nominations, and that House Bill No. 10 be placed on the Calendar.

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

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Bodack.

Senator BODACK. Mr. President, I request a "no" vote on this motion.

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

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

**YEA-30**

Armstrong	Greenleaf	Mowery	Thompson
Bell	Hart	Murphy	Tilghman
Brightbill	Helfrick	Piccola	Tomlinson
Conti	Holl	Punt	Waugh
Corman	Jubelirer	Rhoades	Wenger
Dent	Lemmond	Robbins	White
Earll	Loeper	Salvatore	
Gerlach	Madigan	Slocum	

**NAY-20**

Belan	Hughes	Mellow	Stout
Bodack	Kasunic	Musto	Tartaglione
Boscola	Kitchen	O'Pake	Wagner
Costa	Kukovich	Schwartz	Williams
Fumo	LaValle	Stapleton	Wozniak

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

The PRESIDENT. Rule XIV is suspended.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 5**

**SENATE CONCURS IN HOUSE AMENDMENTS TO SENATE AMENDMENTS**

**HB 10 (Pr. No. 2065)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for licensing eligibility and licensing of minors, for learner's permits, for suspension of operating privilege, for school, examination or hearing on accumulation of points or excessive speeding, for requirements for driving under influence offenders, for annual hauling permits, for restraint systems and establishing a task force on driver's education programs; providing for conditions of permits and security for damages, for permits for movement of float glass or flat glass and for permits for movement of self-propelled cranes; further providing for restrictions on use of limited access highways, for permit for movement during the course of manufacture and for permit for movement of wooden structures; providing for Security Wall Pilot Project; and making editorial changes.

On the question,  
Will the Senate concur in the amendments made by the House to Senate amendments to House Bill No. 10?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate amendments to House Bill No. 10.

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

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, I have been a Member of the State Senate for about 6 months now and it seems that the entire 6 months have been consumed with dealing with this piece of legislation, and if the Chair would indulge me for a few seconds, I would like to reiterate some of the comments I made previously, now that some of the Members are here.

I first want to say thanks to the chairman of the Committee on Transportation, Senator Madigan, for allowing me to have such involvement in this bill and to actually manage the bill quite a bit, and also for his assistance in helping me get through this process to the point where we are ready to pass this very important piece of legislation today.

I also want to thank the Democratic chairman of the Committee on Transportation, Senator Stout. As I said yesterday,

this body has a long tradition of Senator Corman and Senator Stout working together, and I am glad to continue that tradition. He is certainly a gentleman's gentleman, and it has been an honor to learn from him through this process and to bring this bill to where we can pass it today. I also want to give credit to Chairman Geist of the House Committee on Transportation and Chairman Battisto, the Democratic chairman, who did such fine work in the House in managing this bill and bringing it over here to the Senate for final concurrence, and maybe most importantly to Governor Ridge and this administration, the Pennsylvania Department of Transportation, and Secretary Mallory, for really doing all of the behind-the-scenes work to get a good bill to put together, to get it here today, and get about saving the lives of teenagers today on our highways.

Mr. President, in 1997, 135 young Pennsylvanians were killed in tragic accidents on our highways. These accidents involved 16- and 17-year-old drivers who just recently acquired their driver's licenses. Mr. President, these 135 young people represent much more than just a statistic, they represent our future, 135 boys and girls who will never graduate high school, who will never go to their senior prom, who will never get married or have children of their own. And unfortunately, Mr. President, 1997 was just the latest of a deadly trend of accidents involving 16- and 17-year-old drivers.

Today, Mr. President, we have the opportunity to take action and to try to prevent some of these accidents by strengthening our requirements for obtaining a driver's license, and I think it is important to note that this legislation does not come on a knee-jerk reaction, this legislation was the result of a study done by PennDOT for over a year, along with hearings that were held by the House Committee on Transportation to try to find ways to reduce the number of tragic accidents involving young drivers.

Mr. President, the studies that they found showed that by far the number one reason for these accidents was lack of experience by our young drivers. This is why this legislation's focus is on giving our new drivers more experience before turning them loose on our highways. We are going to lengthen the time a 16-year-old has a permit from 1 to 6 months to allow them more time with adult supervision to learn the art of driving, mandating a minimum of 50 hours of driving with an adult before acquiring a license, again allowing a new driver the opportunity to experience all different types of conditions before getting their license.

Mr. President, 26 other States have adopted graduated driver's license legislation, including some of our neighbors: Ohio, New Jersey, Maryland. As the Keystone State whose highways are traveled as much, if not more, than any other State in the nation, I believe it is imperative that we adopt this legislation.

In conclusion, Mr. President, there is no question that this legislation will be unpopular among some teenagers today. I myself have seven nephews and nieces who have been calling me on the phone saying, "Uncle Jake, what are you doing to us?" And, Mr. President, I am sure my colleagues have received similar phone calls. In response I would just say, I wonder how

many of the families of the 135 children who were lost in 1997 think we are doing the right thing today?

Thank you, Mr. President, and I urge my colleagues to cast a "yes" vote.

#### LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Bodack.

Senator BODACK. Mr. President, I request temporary Capitol leaves for Senator O'Pake and Senator Williams.

The PRESIDENT. Without objection, those leaves are granted.

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

The PRESIDENT. The Chair recognizes the gentleman from Washington, Senator Stout.

Senator STOUT. Mr. President, I know the hour is late, so I will be brief. I want to also rise to support concurrence in House Bill No. 10. It is a very important piece of legislation, as Senator Corman mentioned, and it has been worked on most of this year and I appreciate his leadership and the Majority chairmen of the Committee on Transportation in both the House and the Senate for their work and leadership in putting together this important piece of legislation.

Earlier this evening I had an opportunity to view some of the House debate on this legislation. There are those people who raised the point that they thought this legislation went too far and was too restrictive and would discriminate against young drivers. I do not feel that way, Mr. President, because as the father of six children - five daughters and one son - I had the responsibility of teaching all of them how to drive. I know when our first child became old enough to get a driver's license, my wife tried it for about 2 weeks and threw her hands up in frustration, it was too frustrating for her to deal with, so I did it. And the key thing in teaching people to drive is they have to have experience behind the wheel. You can show someone a video clip or a movie or a book or material like that, but what really counts is actually getting behind the wheel and learning to handle a car in all kinds of conditions, during daylight hours, nighttime, heavy traffic, on four-lane highways, on narrow two-lane roads, in the cities, and learning how to park and maneuver your vehicle. With this legislation we are really trying to help young drivers and protect them.

Before I got to this body, Mr. President, I served as a licensed funeral director and deputy coroner in Washington County. Believe me, Mr. President, there is no more difficult thing you have to do in your life than to knock on someone's door at 12 or 1 o'clock in the morning and tell them that their child was just killed in an automobile accident. I have had to do that, and it is a very difficult thing to do.

So I urge each and every Member to support this legislation, because you are actually helping to save lives and helping to prepare children to deal with the responsibility of driving a car. So, I urge all the Members to support House Bill No. 10. It may

not be perfect, but it is the right step and the responsible thing we should do to save the lives of our young children.

Thank you, Mr. President.

And the question recurring,

Will the Senate agree to the motion?

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

YEA-48

Armstrong	Gerlach	Madigan	Slocum
Belan	Greenleaf	Mellow	Stapleton
Bell	Hart	Mowery	Stout
Bodack	Helfrick	Murphy	Tartaglione
Boscola	Holl	Musto	Thompson
Brightbill	Hughes	O'Pake	Tilghman
Conti	Jubelirer	Piccola	Tomlinson
Corman	Kasunic	Punt	Wagner
Costa	Kitchen	Rhoades	Waugh
Dent	Kukovich	Robbins	Wenger
Earll	Lemmond	Salvatore	White
Fumo	Loeper	Schwartz	Williams

NAY-2

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

HOUSE MESSAGE

SENATE BILL RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate SB 209, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

MOTION TO SUSPEND RULE XIV

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I move to suspend Rule XIV to the extent that it requires that Senate Bill No. 209, as amended, be referred to the Committee on Rules and Executive Nominations, and that Senate Bill No. 209 be placed on the Calendar.

On the question,

Will the Senate agree to the motion?

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

YEA-50

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman

Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

NAY-0

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

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 6

SENATE CONCURS IN HOUSE AMENDMENTS

SB 209 (Pr. No. 1246) -- The Senate proceeded to consideration of the bill, entitled:

An Act authorizing the Department of General Services, with the approval of the Governor, to convey to East Allen Township, Northampton County, certain land situate in East Allen Township, Northampton County, and to convey to the trustees of the University of Pittsburgh, certain land situate in the City of Pittsburgh, Allegheny County, and authorizing and directing the State Armory Board of the Department of Military and Veterans Affairs and the Department of General Services, with the approval of the Governor, to convey to the Historical and Genealogical Society of Indiana County a tract of land situated in the Borough of Indiana, County of Indiana, Pennsylvania.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 209?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 209.

On the question,

Will the Senate agree to the motion?

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

YEA-50

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

NAY-0

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

### CONSIDERATION OF CALENDAR RESUMED

#### THIRD CONSIDERATION CALENDAR RESUMED

##### SB 1004 CALLED UP

**SB 1004 (Pr. No. 1160)** -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 4 of the Third Consideration Calendar, by Senator LOEPER.

##### BILL AMENDED

**SB 1004 (Pr. No. 1160)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of December 22, 1989 (P.L. 732, No. 101), entitled Election District Alteration and Data Reporting Act, further providing for alteration of election districts.

On the question,

Will the Senate agree to the bill on third consideration?

Senator BODACK offered the following amendment No. A3045:

Amend Bill, page 1, lines 9 through 11, by striking out all of said lines and inserting:

Section 1. Sections 3 and 4 of the act of December 22, 1989 (P.L. 732, No. 101), known as the Election District Alteration and Data Reporting Act, are amended to read:

Amend Sec. 1 (Sec. 3), page 3, line 5, by inserting after "the": secretary and the

Amend Sec. 1, page 3, by inserting between lines 6 and 7: Section 4. Alterations after period of restriction.

(a) General rule.—After March 29, 1992, unless otherwise provided in this act, an election district may be established, abolished, divided or consolidated if the boundary of each resulting district is composed entirely of clearly visible physical features conforming with census block lines from the most recently completed Federal decennial census.

(b) Report.—Within 30 days of an alteration under subsection (a), the county board of elections shall submit to the bureau a report, including a map and a verbal description, of the boundaries of each resulting district.

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 LOEPER.

### COMMUNICATION FROM THE GOVERNOR

#### NOMINATION REFERRED TO COMMITTEE

The PRESIDENT laid before the Senate the following communication in writing from His Excellency, the Governor of the Commonwealth, which was read as follows and referred to the Committee on Rules and Executive Nominations:

### MEMBER OF THE STATE BOARD OF COSMETOLOGY

June 16, 1999

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, Annette Steele (Public Member), 2029 Bonita Court, Harrisburg 17110, Dauphin County, Fifteenth Senatorial District, for appointment as a member of the State Board of Cosmetology, to serve for a term of three years and until her successor is appointed and qualified, but not longer than six months beyond that period, vice Caroline A. Novak, Coatesville, whose term expired.

THOMAS J. RIDGE  
Governor

### HOUSE MESSAGES

#### SENATE BILLS RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate SB 392, 970 and 999, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule XIV, section 5, these bills will be referred to the Committee on Rules and Executive Nominations.

#### HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE BILLS

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to HB 157, 371, 773 and 779.

#### HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE AMENDMENTS TO SENATE BILLS

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to House amendments to SB 365 and 366.

#### HOUSE CONCURS IN SENATE BILLS

The Clerk of the House of Representatives returned to the Senate SB 309, 442, 900 and 1000, with the information the House has passed the same without amendments.

#### HOUSE CONCURS IN SENATE CONCURRENT RESOLUTION

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

SR 8.

**BILLS SIGNED**

The PRESIDENT (Lieutenant Governor Mark S. Schweiker in the presence of the Senate signed the following bills:

**SB 209, SB 309, SB 365, SB 366, SB 442, SB 852, SB 900, SB 1000, HB 17, HB 157, HB 192, HB 197, HB 371, HB 528, HB 773, HB 779, HB 979 and HB 1520.**

**RECESS**

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, at this time we have pretty well completed the Supplementals that have been before us. We are still awaiting further action over in the House of Representatives and it would be my suggestion we are going to need another meeting of the Committee on Rules and Executive Nominations to get some more bills out on the floor on Supplemental Calendars. However, that could be a while before that is ready, and I would suggest at this time that the Senate recess, with the understanding that the Members return to their offices, and at such time when we are ready to commence with the business of the day, we will put out a call to get back on the floor.

The PRESIDENT. With the intention of conducting business later, the Senate stands in recess.

**AFTER RECESS**

The PRESIDENT pro tempore (Robert C. Jubelirer) in the Chair.

The PRESIDENT pro tempore. The time of recess having expired, the Senate will come to order.

**SUPPLEMENTAL CALENDAR No. 4 RESUMED****BILL AMENDED**

**HB 456 (Pr. No. 2115) --** The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30. No. 14), entitled Public School Code of 1949, further providing for office for safe schools.

On the question,

Will the Senate agree to the bill on third consideration?

Senator LOEPER offered the following amendment No. A3058:

Amend Title, page 1, line 11, by removing the period after "SCHOOLS" and inserting: , for Commonwealth payments for basic education grants, intermediate units, community colleges, secondary vocational education subsidies, small district assistance and basic education and for transportation; and authorizing area vocational-technical boards to establish capital reserve funds.

Amend Bill, page 5, lines 8 through 10, by striking out all of said lines and inserting:

Section 1. Sections 917.1-A(h) and 919.1-A(e) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, added April 27, 1998 (P.L.270, No.46), are amended to read:

Section 917.1-A. Commonwealth Payments.—\* \* \*

(h) For the 1998-1999 school year, and each school year thereafter, each intermediate unit shall receive a proportionate share of the amount available under subsection (a) minus the payments made under section 919.1-A(e) based on the amount received by the intermediate unit under subsection (g) for the 1997-1998 school year. [During] Beginning with the 1998-1999 school year, however, no intermediate unit shall receive less payment under this subsection than the amount of the payments the intermediate unit received under subsection (g) during the 1997-1998 school year.

Section 919.1-A. Capital Subsidy.—\* \* \*

(e) Notwithstanding any provision of this act to the contrary, for the 1998-1999 school year, and each school year thereafter, each intermediate unit shall receive the actual payment for capital subsidy which it received under this section and section [2502.6(b)] 2502.6 during the 1997-1998 school year.

Section 2. The act is amended by adding a section to read:

Section 1215. Locally Issued Temporary Certification for Substitute Teachers.—A temporary substitute teacher certificate may be issued by a public school entity to an individual who presents a letter from a college or university verifying that the individual has completed an approved teacher preparation program, has successfully completed the certification testing requirements and has completed all requirements for the awarding of a bachelor's degree on a date certain. The temporary substitute teacher certificate shall only be used for day-to-day assignments and shall expire upon the termination of any summer school conducted in the summer which follows the date of issuance or upon the receipt of Instructional I certification by the individual.

Section 2.1. Section 1302-A(c) of the act, added June 30, 1995 (P.L.220, No.26), is amended to read:

Amend Bill, page 6, by inserting between lines 21 and 22:

Section 3. Section 1372 of the act is amended by adding a clause to read:

Section 1372. Exceptional Children; Education and Training.—\* \* \*

(7) Reporting of exceptional students:

(i) The department shall review each school district's incidence rate of mildly and severely disabled students as calculated under section 2509.5(z). When the incidence rate is thirty (30) per centum above or below the Statewide average incidence rate of mildly and severely disabled students, the department shall prepare an analysis of the process used by the school district to identify and place mildly and severely disabled students.

(ii) The department shall submit a written report to the school district of the department's findings relating to the process used by the school district to determine its incidence rate of mildly and severely disabled students under subclause (i). The report may include recommendations regarding the process used to identify mildly and severely disabled students.

(iii) Following receipt of the report under subclause (ii), the school district shall submit a written response to the department describing the basis for the deviation from the Statewide average incidence rate of mildly and severely disabled students.

(iv) The department may conduct site visits and review school district records relating to the process used to identify and place mildly and severely disabled students under this clause.

(v) The department shall submit a report to the majority and minority chairman of the Education and Appropriations Committees of the Senate and the majority and minority chairman of the Education and Appropriations Committees of the House of Representatives regarding the process used by school districts to identify and place mildly and severely disabled students. The report shall be submitted annually at the same time as the submission of the Governor's budget to the General Assembly.

Section 4. Section 1503-A(c) of the act, amended April 27, 1998 (P.L.270, No.46), is amended to read:

Section 1503-A. Basic Education Grants.—\* \* \*

(c) (1) Grants shall be allocated through a grant review process established by the Secretary of Education.

(2) The secretary [shall] may establish matching requirements for grant recipients [with a market value/income aid ratio, as defined in

section 2501 of this act, which is less than .4000]. Grant recipients with a market value/income aid ratio which is equal to or greater than .7000 shall be eligible for larger grant awards as determined by the secretary. A school district of the first class shall be eligible for a grant award which shall not exceed three million dollars (\$3,000,000), and a school district of the first class A shall be eligible for a grant award which shall not exceed six hundred thousand dollars (\$600,000), unless the grant awards are included within a partnership.

[(2.1) For the 1997-1998 and 1998-1999 school years, a school district shall be eligible for a grant in the same amount as a school district was eligible to receive for the 1996-1997 school year as provided in clause (2).]

(2.2) For the 1997-1998 and 1998-1999 school years, an area vocational-technical school shall be eligible to receive from the amount of three million dollars (\$3,000,000) appropriated for the purposes of this clause a grant in the same amount as the area vocational-technical school was eligible to receive for the 1997-1998 school year.]

(3) The application for a grant shall be made at such time and in such form as the Secretary of Education may require.

(4) [In order to receive funds, a] A school district or area vocational-technical school [must] may collaborate or form a partnership with one or more of the following: a political subdivision, a school district, an area vocational-technical school, an intermediate unit, a nonpublic school, a local library, an independent institution of higher education, a State-owned institution, a State-related institution, a community education council or any other entity approved by the Department of Education. [Exceptions to this requirement may be requested in the application where the applicant school district or area vocational-technical school justifies why it is better for the applicant to apply as a separate entity.]

Section 5. The act is amended by adding an article to read:

#### ARTICLE XV-B.

##### READ TO SUCCEED PROGRAM.

Section 1501-B. Establishment of Program.—There is hereby established in the Department of Education the Read to Succeed Program. The program shall provide competitive grants to school districts and charter schools to build strong reading skills in Pennsylvania students. The program shall emphasize students with the greatest need for intensive reading instruction and school programs that will enable students to learn to read by the end of the third grade.

Section 1502-B. Eligibility Requirements.—(a) The Department of Education shall establish eligibility criteria to be used to select schools and students in kindergarten through third grade to participate in the Read to Succeed Program.

(b) The secretary shall establish matching requirements for grant recipients.

Section 1503-B. Program Requirements.—School districts and charter schools shall apply for grants as prescribed by the Department of Education. The application will contain the following:

- (1) Identification of students with the greatest need.
- (2) Methods of ongoing assessment.
- (3) Reading instruction based on current reading research.
- (4) Integration with the reading instruction programs and activities of the school district.
- (5) Professional development plan.
- (6) Opportunities for extended learning time.
- (7) Coordination with community-based reading activities, including family literacy programs.
- (8) Staff and program facilities.
- (9) A multivear plan that shows how the school district or charter school will assume full financial and programmatic responsibility for the Read to Succeed Program at the conclusion of the grant period.
- (10) The estimated budget for each specific program activity.

Section 1504-B. Technical Assistance and Monitoring.—The Department of Education shall provide technical assistance and establish methods to ensure the quality of the program receiving a grant, including program monitoring and onsite visitation.

Section 1505-B. Reports.—(a) A school district or charter school participating in the Read to Succeed Program shall provide program and fiscal reports as required by the Department of Education.

(b) Beginning in the year 2000, the department shall submit a report by December 31 of each year to the majority and minority chairman of the Education Committee of the Senate and the majority and minority chairman of the Education Committee of the House of Representatives.

Section 6. Sections 1703-A, 1723-A and 1726-A of the act, added June 19, 1997 (P.L.225, No.22), are amended to read:

Section 1703-A. Definitions.—As used in this article, "Appeal board" shall mean the State Charter School Appeal Board established by this article.

"At-risk student" shall mean a student at risk of educational failure because of limited English proficiency, poverty, community factors, truancy, academic difficulties or economic disadvantage.

"Charter school" shall mean an independent public school established and operated under a charter from the local board of school directors and in which students are enrolled or attend. A charter school must be organized as a public, nonprofit corporation. Charters may not be granted to any for-profit entity.

"Department" shall mean the Department of Education of the Commonwealth.

"Local board of school directors" shall mean the board of directors of a school district in which a proposed or an approved charter school is located.

"Regional charter school" shall mean an independent public school established and operated under a charter from more than one local board of school directors and in which students are enrolled or attend. A regional charter school must be organized as a public, nonprofit corporation. Charters may not be granted to any for-profit entity.

"School entity" shall mean a school district, intermediate unit, joint school or area vocational-technical school.

"Secretary" shall mean the Secretary of Education of the Commonwealth.

"State board" shall mean the State Board of Education of the Commonwealth.

Section 1723-A. Enrollment.—(a) All resident children in this Commonwealth qualify for admission to a charter school within the provisions of subsection (b). If more students apply to the charter school than the number of attendance slots available in the school, then students must be selected on a random basis from a pool of qualified applicants meeting the established eligibility criteria and submitting an application by the deadline established by the charter school, except that the charter school may give preference in enrollment to a child of a parent who has actively participated in the development of the charter school and to siblings of students presently enrolled in the charter school. First preference shall be given to students who reside in the district or districts.

(b) (1) A charter school shall not discriminate in its admission policies or practices on the basis of intellectual ability, except as provided in paragraph (2), or athletic ability, measures of achievement or aptitude, status as a person with a disability, proficiency in the English language or any other basis that would be illegal if used by a school district.

(2) A charter school may limit admission to a particular grade level, a targeted population group composed of at-risk students, or areas of concentration of the school such as mathematics, science or the arts. A charter school may establish reasonable criteria to evaluate prospective students which shall be outlined in the school's charter.

(c) If available classroom space permits, a charter school may enroll nonresident students on a space-available basis, and the student's district of residence shall permit the student to attend the charter school. The terms and conditions of the enrollment shall be outlined in the school's charter.

Section 1726-A. Transportation.—(a) Students who reside in the school district in which the charter school is located or who are residents of a school district which is part of a regional charter school shall be provided transportation to the charter school on the same terms and conditions as transportation is provided to students attending the schools of the district. School districts of the first class shall also provide transportation to the students if they are the same age or are enrolled in the same grade, grades or their grade equivalents, as any students of the district for whom transportation is provided under any

program or policy to the schools of the district. Nonresident students shall be provided transportation under section 1361. Districts providing transportation to a charter school outside the district shall be eligible for payments under section 2509.3 for each public school student transported.

(b) In the event that the Secretary of Education determines that a school district of the first class is not providing the required transportation to students to the charter school, the Department of Education shall pay directly to the charter school funds for costs incurred in the transportation of its students. Payments to a charter school shall be determined in the following manner: for each eligible student transported, the charter school shall receive a payment equal to the total expenditures for transportation of the school district divided by the total number of school students transported by the school district under any program or policy.

(c) The department shall deduct the amount paid to the charter school under subsection (b) from any and all payments made to the district.

(d) A school district of the first class shall submit a copy of its current transportation policy to the department no later than August 1 of each year.

Section 7. Section 1913-A(b)(1.4) of the act, amended June 25, 1997 (P.L.297, No.30) and April 27, 1998 (P.L.270, No.46), is amended to read:

Section 1913-A. Financial Program; Reimbursement or Payments.—\*\*\*

(b) \*\*\*

(1.4) The equivalent full-time student reimbursement of a community college shall be the sum of credit course, noncredit course and stipend reimbursements. These reimbursements shall be calculated using a reimbursement factor of one thousand and forty dollars (\$1,040) for the 1993-1994 fiscal year, of one thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year and of one thousand one hundred eighty dollars (\$1,180) for the 1995-1996 fiscal year and one thousand and two hundred and ten dollars (\$1,210) for the 1996-1997 fiscal year and one thousand two hundred sixty dollars (\$1,260) for the 1997-1998 fiscal year and the 1998-1999 fiscal year and one thousand three hundred dollars (\$1,300) for the 1999-2000 fiscal year and for each year thereafter and shall be determined as follows:

(i) Credit course reimbursement shall be calculated by multiplying the reimbursement factor by the number of equivalent full-time students enrolled in credit courses as determined by an audit to be made in a manner prescribed by the State Board of Education.

(ii) Noncredit course reimbursement shall be calculated as follows:

(A) eighty percent (80%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1993-1994 fiscal year, as determined by the audit referred to in paragraph (i);

(B) seventy percent (70%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1994-1995 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i); or

(C) one hundred percent (100%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit public safety courses that provide training for volunteer firefighters and emergency medical services for the 1995-1996 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i).

(iii) Stipend reimbursement on account of a community college's operating costs for all equivalent full-time students enrolled in the following categories of two-year or less than two-year occupational or technical programs, shall be the sum of the following:

(A) One thousand one hundred dollars (\$1,100) per full-time equivalent student enrolled in advanced technology programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated at one thousand one hundred seventy-five dollars (\$1,175) per full-time equivalent student enrolled in advanced technology programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at one thousand four hundred sixty dollars (\$1,460) per full-time equivalent student

enrolled in advanced technology programs. Advanced technology programs are programs using new or advanced technologies which hold promise for creating new job opportunities, including such fields as robotics, biotechnology, specialized materials and engineering and engineering-related programs.

(B) One thousand dollars (\$1,000) per full-time equivalent student enrolled in programs designated as Statewide programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated at one thousand seventy-five dollars (\$1,075) per full-time equivalent student enrolled in programs designated as Statewide programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at one thousand three hundred sixty dollars (\$1,360) per full-time equivalent student enrolled in programs designated as Statewide programs. A Statewide program is a program which meets one or more of the following criteria:

(I) Program enrollment from out-of-sponsor area is twenty percent or more of the enrollment for the program.

(II) A consortial arrangement exists with another community college to cooperatively operate a program or share regions in order to avoid unnecessary program duplication.

(C) Five hundred dollars (\$500) per full-time equivalent student enrolled in other occupational or technical programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated at five hundred seventy-five dollars (\$575) per full-time equivalent student enrolled in other occupational or technical programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at eight hundred sixty dollars (\$860) per full-time equivalent student enrolled in other occupational or technical programs.

\*\*\*

Section 8. Section 2502.8 of the act is amended by adding a subsection to read:

Section 2502.8. Payments on Account of Pupils Enrolled in Vocational Curriculums.—\*\*\*

(c) For the school year 1998-1999 and each school year thereafter, any additional funding provided by the Commonwealth over the amount provided for the school year 1997-1998 will be distributed to area vocational-technical schools and to school districts with eight (8) or more vocational programs based on subsection (b).

Section 9. Section 2502.13 of the act, amended April 27, 1998 (P.L.270, No.46), is amended to read:

Section 2502.13. Small District Assistance.—For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership. For the 1985-1986 school year, no school district shall receive less on account of this section than it did for the 1984-1985 school year. For the school year 1986-1987, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1985-1986 school year, an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 1987-1988, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1986-1987 school year, an amount equal to eighty-five dollars (\$85) multiplied by that district's average daily membership. For the school year 1988-1989, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 or 1988-1989 school year, an amount equal to one hundred five dollars (\$105). For the school year 1989-1990, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or

greater, or received payments under this section for the 1987-1988 school year, an amount equal to one hundred fifteen dollars (\$115) multiplied by the district's average daily membership as provided for in section 212 of the act of July 1, 1990 (P.L.1591, No.7A), known as the "General Appropriation Act of 1990." For the school year 1990-1991, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the prior school year, an amount equal to one hundred seventy dollars (\$170) multiplied by that district's average daily membership. For the school year 1990-1991, each school district with a population per square mile of less than ninety (90), which otherwise meets the average daily membership and market value/income aid ratio requirements of this section, or received payments under this section for the prior school year, shall instead receive an amount equal to one hundred ninety dollars (\$190) multiplied by that district's average daily membership. For the 1987-1988 school year through the 1990-1991 school year, no school district shall receive less on account of this section than it did for the prior school year. For the school year 1994-1995, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to ninety five dollars (\$95) multiplied by that district's average daily membership. For the school year 1997-1998 and the school year 1998-1999, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership.

Section 10. Section 2502.30 of the act, amended April 27, 1998 (P.L.270, No.46), is amended to read:

Section 2502.30. Temporary Special Aid to School Districts Suffering Loss of Tax Revenue Due to Reduction in Assessed Valuation of Taxable Property.—(a) Temporary special aid shall be paid in fiscal years 1994-1995, 1995-1996, 1996-1997 [and], 1997-1998, 1998-1999 and 1999-2000 to school districts experiencing a severe reduction in local revenue due to a decline in the assessed value of taxable properties. The allocation to these districts shall be determined by multiplying the reduction in assessed value between 1985-1986 and 1992-1993 by the 1992-1993 real estate millage rate. This aid shall be paid from undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the Department of Education. No other funds shall be used for assistance under this section. These funds shall be sufficient to provide temporary relief to seven school districts in fiscal year 1995-1996 at seventy-five per centum (75%) of the funds received in fiscal year 1994-1995, in fiscal year 1996-1997 at fifty per centum (50%) of the funds received in fiscal year 1994-1995 [and], in fiscal year 1997-1998 [and], 1998-1999 and in fiscal year 1999-2000 at twenty-five per centum (25%) of the funds received in fiscal year 1994-1995. This section shall expire October 1, [1999] 2000.

(b) Payments made pursuant to subsection (a) shall be paid from a restricted receipt account, which is hereby established, for such payments. Funds shall be transferred by the Secretary of the Budget to the restricted account only to the extent necessary to make the payments authorized by this section. The money in the restricted account is hereby appropriated from the account for purposes of this section.

Section 11. The act is amended by adding a section to read:

Section 2502.36. Basic Education Funding for 1998-1999 School Year.—For the 1998-1999 school year, the Commonwealth shall pay to each school district a basic education funding allocation which shall consist of the following:

(1) An amount equal to the basic education funding allocation for the 1997-1998 school year pursuant to section 2502.35.

(2) A base supplement payable to qualifying school districts.

(i) To qualify for the base supplement, a school district's 1999-2000 market value/income aid ratio must be equal to or greater than four thousand ten-thousandths (0.4000).

(ii) The base supplement is calculated for qualifying school districts as follows: multiply the school district's 1999-2000 market value/income aid ratio times its 1998-1999 average daily membership; multiply this product times seventy million five hundred thousand dollars (\$70,500,000); divide the resultant product by the sum of the products of the 1999-2000 market value/income aid ratio times the 1998-1999 average daily membership for all qualifying districts.

(3) A growth supplement is calculated for qualifying school districts as follows: multiply the increase in average daily membership between the 1997-1998 and 1998-1999 school years times four hundred dollars (\$400).

(4) A poverty supplement to qualifying school districts.

(i) To qualify for the poverty supplement, the number of children in low-income families residing in the district for the 1998 calendar year divided by the district's average daily membership for the 1998-1999 school year must be greater than or equal to ten per centum (10%).

(ii) The poverty supplement is calculated for qualifying school districts by multiplying the number of children in low-income families as defined in section 2501(21) residing in the district for the 1998 calendar year times fifty dollars (\$50).

(5) Each school district will be guaranteed a minimum increase to be calculated as follows:

(i) Each school district with a 1999-2000 market value/income aid ratio equal to or greater than seven thousand ten-thousandths (0.7000) will receive additional funding, as necessary, so that the sum of the amounts in clauses (2), (3), (4) and (5) will equal at least four per centum (4%) of the amount in clause (1).

(ii) Each school district with a 1999-2000 market value/income aid ratio less than seven thousand ten-thousandths (0.7000) will receive additional funding, as necessary, so that the sum of the amounts in clauses (2), (3), (4) and (5) will equal at least one per centum (1%) of the amount in clause (1).

Section 12. Sections 2509.1 and 2509.5 of the act are amended by adding subsections to read:

Section 2509.1. Payments to Intermediate Units.—\* \* \*

(b.7) Up to nine million five hundred thousand dollars (\$9,500,000) may be utilized for programs administered and operated during the 1999-2000 school year for institutionalized children by intermediate units as established in subsection (b.1).

Section 2509.5. Special Education Payments to School Districts.—\* \* \*

(u) During the 1999-2000 school year, each school district shall be paid:

(1) an amount to be determined by multiplying fifteen percent (15%) of its school-age average daily membership by one thousand three hundred fifteen dollars (\$1,315); and

(2) an amount to be determined by multiplying one percent (1%) of its school-age average daily membership by fourteen thousand five hundred thirty-five dollars (\$14,535).

(v) During the 1999-2000 school year, a portion of the funds appropriated to the Department of Education for special education shall be available to provide supplemental funding for special education to school districts which operate special education programs. Only school districts that qualify under the provisions of subsection (w) shall be eligible to receive the supplemental special education funding.

(w) School districts shall qualify for supplemental payments under subsection (v) if:

(1) (i) the school district's special education expenditures for the 1996-1997 school year as a percentage of the sum of the school district's 1996-1997 school year expenditures for regular education, vocational-technical education and special education is equal to or greater than the special education expenditures of all school districts for the 1996-1997 school year as a percentage of the sum of the 1996-1997 school year expenditures of all school districts for regular education, vocational-technical education and special education;

(ii) the school districts market value/income aid ratio for the 1998-1999 school year is equal to or greater than five thousand four hundred ten thousandths (0.5400); and

(iii) the school district's equalized millage for the 1996-1997 school year is equal to or greater than sixteen and one half (16.5); or

(2) The school district satisfies the criterion set forth in clause (1)(i), does not satisfy the criterion set forth in clause (1)(ii) but the school district's equalized millage for the 1996-1997 school year is equal to or greater than twenty and six tenths (20.6).

(3) The school district does not satisfy the criteria of clause (1) or (2) but does satisfy the following:

(i) the number of school-age children in low-income families as defined in section 2501(21) for calendar year 1997 is equal to or greater than ten percent (10%) of the school district's 1997-1998 school year average daily membership; and

(ii) the school district's market value/income aid ratio for the 1998-1999 school year is equal to or greater than five thousand four hundred ten thousandths (0.5400).

(x) Qualifying school districts shall receive an additional twenty percent (20%) of the amount calculated in subsection (u)(1). The amount shall be paid pursuant to the payment schedule established in subsection (c).

(y) Additionally, during the 1999-2000 school year, each school district of the first class or first class A belonging to an intermediate unit the boundary of which is coterminous with that of the school district shall receive a proportionate share of ten million three hundred thousand dollars (\$10,300,000) based on the amount received by its coterminous intermediate unit for the cost of operating and administering classes or schools for students with exceptionalities as approved by the department for the 1990-1991 school year. This amount shall be added to the school district's payment under subsection (v). Provided, however, That during the 1999-2000 school year, no school district of the first class or first class A shall receive less payment under this subsection and subsection (v) than the amount of the payments the school district's coterminous intermediate unit received during the 1997-1998 school year under section 2509.1(d)(3).

(z) During the 1999-2000 school year, a school district with an incidence rate of mildly and severely disabled students greater than one hundred thirty percent (130%) of the Statewide average incidence rate of mildly and severely disabled students shall qualify to receive a supplemental payment, as specified in this subsection, from funds appropriated to the department for special education. A school district's incidence rate of mildly and severely disabled students shall be calculated by dividing the school district's 1997 child count of students with disabilities collected and reported under sections 611(d)(2) and 618(a) of the Individuals with Disabilities Education Act (Public Law 91-230, 20 U.S.C. §§ 1411(d)(2) and 1418(a)) and 34 C.F.R. § 300.750 by the school district's 1997-1998 total enrollment reported to the department. The Statewide average incidence rate of mildly and severely disabled students shall be calculated by dividing the Statewide total 1997 child count of students with disabilities for all school districts by the 1997-1998 Statewide total enrollment for all school districts. The payment to a qualifying school district shall be calculated as follows: (1) subtract one hundred thirty percent (130%) of the Statewide average incidence rate from the school district's incidence rate; (2) multiply the difference obtained in paragraph (1) by the school district's 1998-1999 school year average daily membership; and (3) multiply the product obtained in paragraph (2) by one thousand three hundred fifteen dollars (\$1,315).

(aa) For the 1999-2000 school year, the sum of payments to school districts received under subsections (u), (v), (y) and (z) must be greater than or equal to one hundred and two percent (102%) of the payments school districts for the 1998-1999 school year under subsections (p), (q) and (t).

Section 13. Section 2595(a) of the act, reenacted and amended April 27, 1998 (P.L.270, No.46), is amended and the section is amended by adding a subsection to read:

Section 2595. School Performance Incentives.—(a) The purpose of this section is to establish a program of school performance incentives to reward significant educational improvements, to encourage accountability programs with school districts, to evoke further school performance improvement and to foster collegial participation by school employees in improving school performance.

\* \* \*

(f.1) Up to one million dollars (\$1,000,000) of the allocation for school performance funding under this section shall be used to fund an

incentive program for School District Performance Measures (SDPM) to be based upon the individual performance of employees of a school district.

(1) School districts shall apply annually for an SDPM award in a format established by the Department of Education.

(2) The Department of Education shall review school district professional teacher accountability plans that contain differentiated rewards and sanctions based on individual job performance.

(3) The Department of Education shall review the submitted school district accountability plans and rate them for impact on the individual employe according to financial and programmatic measures, including compensation and training and other rewards and sanctions.

(4) The Department of Education shall use the total impact of each plan times the number of professional staff affected in the school district to award SDPM incentive grants to school districts.

(5) If the amount for awards under this subsection exceed the amount allocated for that purpose, the awards shall be reduced to reflect the amount allocated.

Amend Sec. 2, page 6, line 22, by striking out "2" and inserting: 14

Amend Sec. 2, page 6, line 22, by removing the period after "1999" and inserting: , or immediately, whichever is later.

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 LOEPER.

#### HB 58 TAKEN FROM THE TABLE

Senator LOEPER. Mr. President, I move that House Bill No. 58, Printer's No. 1447, be taken from the table and placed on the Calendar.

The motion was agreed to.

The PRESIDENT pro tempore. The bill will be placed on the Calendar.

#### SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Consent has been given for the Committee on Rules and Executive Nominations to meet imminently in the Rules room to consider Senate Bill No. 970 and certain nominations.

#### RECESS

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, at this time I request a brief recess of the Senate for the purpose of a meeting of the Committee on Rules and Executive Nominations to take place immediately in the Rules room at the rear of the Senate Chamber.

The PRESIDENT pro tempore. For the purpose of a meeting of the Committee on Rules and Executive Nominations to start immediately in the Rules room to the rear of the Senate Chamber, the Senate will stand in recess.

#### AFTER RECESS

The PRESIDENT pro tempore. The time of recess having expired, the Senate will come to order.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 7**

**BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE**

**HB 456 (Pr. No. 2117)** — The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14), entitled Public School Code of 1949, further providing for office for safe schools, for Commonwealth payments for basic education grants, intermediate units, community colleges, secondary vocational education subsidies, small district assistance and basic education and for transportation; and authorizing area vocational-technical boards to establish capital reserve funds.

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:

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

Ordered, That the Secretary of the Senate 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.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 8**

**BILL AMENDED**

**HB 58 (Pr. No. 1447)** — The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for other offenses.

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

Senator LOEPER offered the following amendment No. A1763:

Amend Title, page 1, line 3, by striking out all of said line and inserting: extending the statute of limitations for dealing in proceeds of unlawful activities.

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 LOEPER.

**REPORT FROM COMMITTEE**

Senator LOEPER, from the Committee on Rules and Executive Nominations, reported the following bill:

**SB 970 (Pr. No. 1250) (Amended) Rereported) (Concurrence)**

An Act amending the act of April 9, 1929 (P.L.177, No.175), entitled The Administrative Code of 1929, establishing a bureau within the Department of Corrections; providing for the administration of inmate training and education; establishing an Inmate Education Advisory Committee; providing for the transfer and retirement membership of certain employees; providing for investment powers of the Treasury Department; providing for a supplemental Agricultural Conservation Easement Purchase Program in the Department of Agriculture; transferring functions relating to services for individuals who are blind or visually impaired; affecting certain reorganization plans; and making repeals.

**SENATE RESOLUTION ADOPTED**

Senators LOEPER, JUBELIRER and FUMO, by unanimous consent, offered **Senate Resolution No. 94**, entitled:

A Resolution amending Senate Financial Operating Rule V.

**MOTION TO SUSPEND SENATE FINANCIAL  
OPERATING RULE XVII**

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I move that we suspend Rule XVII of the Financial Operating Rules of the Senate in order to immediately consider the resolution.

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

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

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White

Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

The PRESIDENT pro tempore. Financial Operating Rule XVII is suspended.

On the question,  
Will the Senate adopt the resolution?

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

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Corti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earll	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

**SENATE CONCURRENT RESOLUTION**

**RECESS ADJOURNMENT**

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

In the Senate, June 16, 1999

RESOLVED, (the House of Representatives concurring), That when the Senate adjourns this week it reconvene on Monday, September 27, 1999, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, That when the House of Representatives adjourns this week it reconvene on Monday, September 27, 1999, unless sooner recalled by the Speaker of the House of Representatives.

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

**SUPPLEMENTAL CALENDAR No. 10**

**SENATE CONCURS IN HOUSE AMENDMENTS AS AMENDED**

SB 970 (Pr. No. 1250) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 9, 1929 (P.L.177, No.175), entitled The Administrative Code of 1929, establishing a bureau within the Department of Corrections; providing for the administration of inmate training and education; establishing an Inmate Education Advisory Committee; providing for the transfer and retirement membership of certain employees; providing for investment powers of the Treasury Department; providing for a supplemental Agricultural Conservation Easement Purchase Program in the Department of Agriculture; transferring functions relating to services for individuals who are blind or visually impaired; affecting certain reorganization plans; and making repeals.

On the question,  
Will the Senate concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 970?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 970.

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

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

**YEA-48**

Armstrong	Gerlach	Mellow	Stapleton
Belan	Greenleaf	Mowery	Stout
Bell	Hart	Murphy	Tartaglione
Bodack	Helfrick	Musto	Thompson
Boscola	Holl	O'Pake	Tilghman
Brightbill	Hughes	Piccola	Tomlinson
Corti	Jubelirer	Punt	Wagner
Corman	Kasunic	Rhoades	Waugh
Costa	Kitchen	Robbins	Wenger
Dent	Lemmond	Salvatore	White
Earll	Loeper	Schwartz	Williams
Fumo	Madigan	Slocum	Wozniak

**NAY-2**

Kukovich                      LaValle

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**RECONSIDERATION OF VOTE**

Senator LOEPER. Mr. President, I move that we reconsider the vote by which Senate Bill No. 970 passed finally.

The motion was agreed to.

And the question recurring,

Will the Senate agree to the motion to concur in the amendments made by the House, as amended by the Senate, to Senate Bill No. 970?

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

**YEA-47**

Armstrong	Greenleaf	Mowery	Stout
Belan	Hart	Murphy	Tartaglione
Bell	Helfrick	Musto	Thompson
Bodack	Holl	O'Pake	Tilghman
Boscola	Hughes	Piccola	Tomlinson
Brightbill	Jubelirer	Punt	Wagner
Conti	Kasunic	Rhoades	Waugh
Corman	Kitchen	Robbins	Wenger
Costa	Lemmond	Salvatore	White
Dent	Loeper	Schwartz	Williams
Fumo	Madigan	Slocum	Wozniak
Gerlach	Mellow	Stapleton	

**NAY-3**

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 11**

**BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE**

**SB 1004 (Pr. No. 1247)** — The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of December 22, 1989 (P.L.732, No.101), entitled Election District Alteration and Data Reporting Act, further providing for alteration of election districts.

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:

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

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

**HOUSE MESSAGE**

**SENATE BILL RETURNED WITH AMENDMENTS**

The Clerk of the House of Representatives returned to the Senate SB 572, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

**MOTION TO SUSPEND RULE XIV**

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Delaware, Senator Loeper.

Senator LOEPER. Mr. President, I move to suspend Rule XIV to the extent that it requires that Senate Bill No. 572, as amended, be referred to the Committee on Rules and Executive Nominations, and that Senate Bill No. 572 be placed on the Calendar.

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

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

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhoades	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lemmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

**SPECIAL ORDER OF BUSINESS  
SUPPLEMENTAL CALENDAR No. 12**

**SENATE CONCURS IN HOUSE AMENDMENTS**

**SB 572 (Pr. No. 1249)** — The Senate proceeded to consideration of the bill, entitled:

A Supplement to the act of May 13, 1999 (P.L. , No.6), known as the Capital Budget Project Itemization Act for 1999-2000, itemizing public improvement projects, furniture and equipment projects, transportation assistance projects, redevelopment assistance and redevelopment assistance capital projects, flood control projects, Keystone Recreation, Park and Conservation projects and forestry bridge projects to be constructed or acquired or assisted by the Department of General

Services, the Department of Conservation and Natural Resources, the Department of Environmental Protection, the Department of Community and Economic Development, the Department of Transportation, the Pennsylvania Fish and Boat Commission or the Pennsylvania Game Commission, together with their estimated financial costs; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects to be constructed or acquired or assisted by the Department of General Services, the Department of Conservation and Natural Resources, the Department of Environmental Protection, the Department of Community and Economic Development or the Department of Transportation; stating the estimated useful life of the projects; authorizing certain waivers; making appropriations; and making repeals.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 572?

Senator LOEPER. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 572.

On the question,

Will the Senate agree to the motion?

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

**YEA-50**

Armstrong	Greenleaf	Mellow	Stout
Belan	Hart	Mowery	Tartaglione
Bell	Helfrick	Murphy	Thompson
Bodack	Holl	Musto	Tilghman
Boscola	Hughes	O'Pake	Tomlinson
Brightbill	Jubelirer	Piccola	Wagner
Conti	Kasunic	Punt	Waugh
Corman	Kitchen	Rhodes	Wenger
Costa	Kukovich	Robbins	White
Dent	LaValle	Salvatore	Williams
Earl	Lenmond	Schwartz	Wozniak
Fumo	Loeper	Slocum	
Gerlach	Madigan	Stapleton	

**NAY-0**

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

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

**HOUSE MESSAGES**

**HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE BILL**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **HB 456**.

**HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE AMENDMENTS TO SENATE BILLS**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to House amendments to **SB 3** and **SB 970**.

**HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE BILLS**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **HB 314** and **HB 1331**.

**HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE CONCURRENT RESOLUTION**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **House Concurrent Resolution No. 13**.

**HOUSE CONCURS IN SENATE CONCURRENT RESOLUTION**

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

**Recess adjournment.**

**UNFINISHED BUSINESS 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 Mr. and Mrs. Ralph Bailey, Mr. and Mrs. Charles Grove, Mr. and Mrs. William Lefever, Mr. and Mrs. Clayton Gerlach, Mr. and Mrs. William Portner, Mr. and Mrs. Bill Newswanger, Mr. and Mrs. Olin Simpson, Mr. and Mrs. Charles Eckman, Mr. and Mrs. Louis Layendecker, Mr. and Mrs. George Kennett, Mr. and Mrs. Glen Dalrymple, Mr. and Mrs. Stanley Clattenburg, Mr. and Mrs. Kenneth Gochenaur, Mr. and Mrs. Ray Beers, Reverend and Mrs. Daniel Shearer, Mr. and Mrs. Robert H. K. Bauer, Mr. and Mrs. Ernst Rinder, Mr. and Mrs. Robert Brackbill, Mr. and Mrs. Charles Grinestaff, Mr. and Mrs. C. Jackson Brown, Mr. and Mrs. Ken Reynolds, Mr. and Mrs. Richard Dreisbach, Mr. and Mrs. Charles Scheuing, Mr. and Mrs. Daniel Sigman, Mr. and Mrs. Robert Shaub, Mr. and Mrs. Donald J. Wilson, Andrew Scott Devlin, Fred R. Weber, Isaac S. Metzler and to the Penn Manor High School Ninth Grade Mathematics Team by Senator Armstrong.

Congratulations of the Senate were extended to Mr. and Mrs. Bernard Novak, Mr. and Mrs. Melvin Ahtzahn and to Bernard Raymond Novak by Senator Belan.

Congratulations of the Senate were extended to Mr. and Mrs. Stephen Plecenik by Senators Belan and Costa.

Congratulations of the Senate were extended to Mr. and Mrs. Donald Aron, Mr. and Mrs. David Lambert, Mr. and Mrs. Charles Vaccaro, Frances Yervelli, Mary Friday, Angela DelFerro, Josephine Sgaralia and to the Pennsylvania AFL-CIO Community Services Committee by Senator Bell.

Congratulations of the Senate were extended to Robin J. Bernstein, Charles Stover, Todd Massack and to James L. Puglin by Senator Bodack.

Congratulations of the Senate were extended to Mr. and Mrs. Frank Adamcik, Mr. and Mrs. Sherwood Stancombe, Christopher Joseph Kavcak, Mario Anthony Sgarlata, Perma Lambert, Kirk Sobell, Kevin Yost, Charles Nemeth, Garth W. Burnett, Richard C. Jay, Arleta James, Joseph B. Raykos and to the Eastern Pennsylvania Health Network of Bethlehem by Senator Boscola.

Congratulations of the Senate were extended to the Eastern Pennsylvania Health Network of Bethlehem by Senators Boscola and Dent.

Congratulations of the Senate were extended to Myrtle Olive Fasnacht and to the Conrad Weiser School District of Robesonia by Senator Brightbill.

Congratulations of the Senate were extended to James Michael Turner, Frank Nuneviller, Marc S. Cichocki, Joseph Mullen, Allen J. Farrara, Joyce G. Cooney, George E. Taylor and to the citizens of the Borough of Sellersville by Senator Conti.

Congratulations of the Senate were extended to George R. Lilly by Senators Conti and Boscola.

Congratulations of the Senate were extended to Megan Kirkpatrick and volunteers by Senators Conti and Greenleaf.

Congratulations of the Senate were extended to Mr. and Mrs. Henry Haldeman, Mr. and Mrs. Richard Clouser, Marlene Kathryn Smith, Ray J. Sharer, David Joseph Morrison, Craig Dean Willis, Brian D. Miller, Justin Plock, Matthew Dale, Jesse Michael Weaver, Larry R. Baker, Edward A. Kerr and to Shirley Barner by Senator Corman.

Congratulations of the Senate were extended to Jason Stecik, Viola Nolla, St. Maurice Parish of Forest Hills and to Boyce Campus Middle College High School of Monroeville by Senator Costa.

Congratulations of the Senate were extended to Mr. and Mrs. Joseph Steiner, Jr., Mr. and Mrs. Roy Comfort, Mr. and Mrs. Daniel Diehl, Mr. and Mrs. Darwin Bryan, Fred and Martha Hafer, Robert P. Hartenstine and to Michael Hersh by Senator Dent.

Congratulations of the Senate were extended to Richard Schall by Senators Dent, Brightbill, and Boscola.

Congratulations of the Senate were extended to Helen Lindsey, Jason Wieczorek and to David Calao II by Senator Earll.

Congratulations of the Senate were extended to Chad Tomaszewski, Erik Kayhart, Andrew Michael Jones and to Sassamansville Fire Company No. 1 by Senator Gerlach.

Congratulations of the Senate were extended to Mr. and Mrs. Robert Harvey, Mr. and Mrs. George Zanolli, Stephen Raysor, Evan Alexander Holmes, Frank F. Haun, Dr. Robert Burt, Reverend Dr. David J. Frame, Effie Robinson Schaffer and to the family of Simon and Eva Frankenfield by Senator Greenleaf.

Congratulations of the Senate were extended to Mr. and Mrs. Herbert Pfeil, Mr. and Mrs. Edmund Wozniak, Mr. and Mrs. Robert Shannon, Mr. and Mrs. Perry Salati, Mr. and Mrs. Gilbert Huckestein, Mr. and Mrs. Francis McNally, Reverend Donald B. Green, Gregory Hester, David Edward Emmert, Aziz Shamey, Dr. Saleem J. Antoon and to Rick Toney by Senator Hart.

Congratulations of the Senate were extended to Mr. and Mrs. Wayne M. Welliver, Mr. and Mrs. Joseph Kukorlo, Mr. and Mrs. Calvin R. Beveridge, Mr. and Mrs. Robert O. Norquest, Mr. and Mrs. R. Neil Henrie, Mr. and Mrs. Joseph Melnick, Mr. and Mrs. Byron Roth, Reverend and Mrs. Donald G. Pellman, Mr. and Mrs. Elmer W. Loreman, Mr. and Mrs. Paul Bogdan, Mr. and Mrs. Lawrence K. Moyer, Mr. and Mrs. Paul Readly, Mr. and Mrs. Vitold C. Eremich, Mr. and Mrs. Mark A. Mayan, Robert E. Whitmer, Jr., and to Coal Township Fire Department by Senator Helfrick.

Congratulations of the Senate were extended to Mr. and Mrs. Alfred E. Tonolo by Senators Helfrick and Musto.

Congratulations of the Senate were extended to Mr. and Mrs. Arthur R. Driedger, William Robert Stanley, Richard Jordan Sudermann, Sean Michael Goff, Phyllis Stevens, Brett Joseph Gloviak, Lucy A. Ivins, James P. Ray, Robert J. Miller III, Andrew Stephen Colvin, Mark Edwin Krauss, Jr., Andrew Colin Lersch, Jeffrey Scott Barndt, Jr., Kenneth Mark Lersch, Devin Stewart, Acer Engineers and Consultants, Inc., of Limerick, and to the Philip and Muriel Berman Museum of Art at Ursinus College of Collegeville by Senator Holl.

Congratulations of the Senate were extended to Larsenia Adams, Willie J. Daniels, Jr., Harold E. Banks, Richard Cohen, 1999 National African American Cultural Expo and to the Father's Day Rally Committee, Inc., of Philadelphia, by Senator Hughes.

Congratulations of the Senate were extended to Mr. and Mrs. Domenic Ciambotti, Mr. and Mrs. E. Wayne Ferry, Mr. and Mrs. Allen Welch, Mr. and Mrs. John Coolbaugh, Mr. and Mrs. Orville Borst, Mr. and Mrs. Charles J. Turiano, Mr. and Mrs. Edward Wilson, Mr. and Mrs. James N. Morton, Mr. and Mrs. Charles McConahy, Mr. and Mrs. Lloyd C. Davis, Mr. and Mrs. Clair Morgart, Mr. and Mrs. Guy Losardo, Mr. and Mrs. Jim Hughes, Mr. and Mrs. James R. Feather, Mr. and Mrs. Ernest D. Hetrick, Mr. and Mrs. Eugene Morral, Mr. and Mrs. Robert McEwen, Mr. and Mrs. Homer Crist, Mr. and Mrs. John S. Baker, Mr. and Mrs. Harry E. McCreary, Mr. and Mrs. Glenn Fink, Mr. and Mrs. Edwin Gunnett, Peter Dutrow, Lawrence S. Hoffman, Mark Ritchey, Angela Patricia Rabbits Durantine, Altoona Veterans of Foreign Wars, James L. Noble Post 3, and to the congregation of Saint Rose of Lima Roman Catholic Church of Altoona by Senator Jubelirer.

Congratulations of the Senate were extended to Mr. and Mrs. Charles Moscalink, Dolly Zaroni, Reverend Byron B. Conner, Karen Hull, Braddock Trail Cub Scout Olympics of Connellsville, Fort Ligonier Post 734, Veterans of Foreign Wars, and to Compass Inn Museum of Laughlintown by Senator Kasunic.

Congratulations of the Senate were extended to Gary L. Hall and to Brother Patrick Lacey by Senator Kitchen.

Congratulations of the Senate were extended to Mr. and Mrs. Wayne Rogan, Robert L. Cornali, Sean T. Conroy and to Justin Hess by Senator Kukovich.

Congratulations of the Senate were extended to Mr. and Mrs. Michael Nelko, Max and Linda Maloney, Joseph Richard Pisano and to the citizens of the Borough of Enon Valley by Senator LaValle.

Congratulations of the Senate were extended to Mr. and Mrs. James Q. Sabatini, Mr. and Mrs. Allen Fox, Sr., Mr. and Mrs. John Steever, Jr., Mr. and Mrs. Kenneth Dickinson, Mr. and Mrs. Ron Williams, Mr. and Mrs. Joseph Dogal, Mr. and Mrs. Joseph Lane, Mr. and Mrs. Ervin H. Bluhm, Mr. and Mrs. Thomas Roan, Mr. and Mrs. James Cook, Mr. and Mrs. Edmund Pietrzykoski, Mr. and Mrs. Donald E. Smith, Sr., Mr. and Mrs. Frank Pearson, Mr. and Mrs. Harry Reese, Mr. and Mrs. Boyd L. Earl, Mr. and Mrs. Robert H. Benson, Marie Reifler, Leona Cragle, Maurice Bateridge, Sylvia Jones, Carl W. Miers, Reverend David Williams, John Paul Charles Lech and to Gladys Schuller by Senator Lemmond.

Congratulations of the Senate were extended to Daniel Glenn Leins by Senators Lemmond and Mellow.

Congratulations of the Senate were extended to Sally Powell by Senators Lemmond and Musto.

Congratulations of the Senate were extended to John G. Reese by Senators Lemmond and Robbins.

Congratulations of the Senate were extended to the Pennsylvania Chapter, National Parents' Day Foundation by Senator Lemmond and others.

Congratulations of the Senate were extended to Kelly Hassel, Rebecca Reese, Shannon Nowrey, Kimberly Hassel, H. Earl Fisher and to the Trinity United Presbyterian Church of Clifton Heights by Senator Loeper.

Congratulations of the Senate were extended to Mr. and Mrs. Lynn Ayers, Mr. and Mrs. Joseph Burkhart, Mr. and Mrs. Stewart Shaffer, Mr. and Mrs. Carroll Rotoli, Mr. and Mrs. Donald Davis, Mr. and Mrs. Robert Earl Saxton, Mr. and Mrs. Robert M. Creveling, Sr., Mr. and Mrs. William J. Bushong, Mr. and Mrs. George W. Smith, Mr. and Mrs. Dale Salsman, Mr. and Mrs. John A. Twine, Jr., Mr. and Mrs. Walter Guthrie, Mr. and Mrs. Richard C. Kneedler, Mr. and Mrs. Francis C. Ott, Mr. and Mrs. Willis Erway, Mr. and Mrs. Frank J. Schuler, Mr. and Mrs. Thomas A. Calkins, Mr. and Mrs. Thomas Pittenger, Mr. and Mrs. Dean Snyder, Sr., Mr. and Mrs. Lewis Nagy, Mr. and Mrs. Layton K. Fish, Mr. and Mrs. Donald E. Flook, Mr. and Mrs. Max Pauling, Mr. and Mrs. Harry A. Dietrick, Sr., Mr. and Mrs. Eugene Harman, Mr. and Mrs. Lynn V. Roles, Mr. and Mrs. Adam Wilson, Mr. and Mrs. Ralph Gower, Mr. and Mrs. Emerson Winder, Mr. and Mrs. George A. Shires, Mr. and Mrs. Kenneth E. Winter, Sr., Mr. and Mrs. John W. Cook, Mr. and Mrs. Wilbur Griggs, Stephanie L. Long, Mary Isabelle Murray, Eric M. Bitler, Donald Reuter, Anne Ley, Jackie Rae Schriener, Noreen Rouse, Jonathan Mark Davis, John C. Wenzel, Jared T. Arbogast, Benjamin Andrew Beebe, Ruth West, John A. Bahl II, Jacob Lee Grover, Adam Rice, Jeanne Marie Ulmer, Harriet Lewis, Matt Ledford and to Darrell Pardoe by Senator Madigan.

Congratulations of the Senate were extended to the Mary and Michael Balog Family, Mary Jennings, Christopher McDonough, Nathan Zaleski, Paul Konosky, Lucretia Langan, David Tomazic, Gloria See, James Michael Kielar and to St. Mary of Mount Carmel Church of Dunmore by Senator Mellow.

Congratulations of the Senate were extended to Mr. and Mrs. Joseph Toczylowski by Senators Mellow and Musto.

Congratulations of the Senate were extended to Michael L. Donmoyer, Jay and Vicki Bear, James S. Falkenbury, Brendan Harris, John Lancione, Rebecca Aumiller, James R. Fagan, Jacob D. McDermott, Mahendra G. Patel, Barbara Edmiston, Kay L. Erb, George C. Hoopy, Marjorie Zimmerman, Franklin R. Strokoff, Howard Newbold and to the Camp Hill High School Baseball Team by Senator Mowery.

Congratulations of the Senate were extended to Captain William Nevin by Senators Mowery and Piccola.

Congratulations of the Senate were extended to Terri Eaborn, John Conomos, Inc., of Bridgeville, Mount Lebanon Office Equipment and to the South Fayette High School Baseball Team of McDonald by Senator Murphy.

Congratulations of the Senate were extended to Mr. and Mrs. Thomas Belusko, Mr. and Mrs. Angelo Pompino, Mr. and Mrs. Edward W. Peetz, Mr. and Mrs. Fred Spagnuolo, Mr. and Mrs. Raymond Fegal, Charles Puzetti III, Dr. David W. Kistler, Amy Marie Mazurkiwecz, Dr. Gordon C. Snow, Matthew Reginski, Frank Bielenda, William Witkowsky, George Hayes, Joseph M. Podczaski, Eugene Sindaco, Robert J. Svab, Albert Jesikiewicz and to the Very Reverend Mario S. Buttini by Senator Musto.

Congratulations of the Senate were extended to Keith Hoffman and to Brandon Goldsworthy by Senators Musto and Lemmond.

Congratulations of the Senate were extended to the Solomon Boscov family, Evelyn L. Salvatore, Jon C. Scott, Richard Gochnauer, Northeast Senior Center of Reading, Salem United Methodist Church of Shoemakersville and to the General Carl A. Spaatz Memorial Association of Boyertown by Senator O'Pake.

Congratulations of the Senate were extended to Mr. and Mrs. Carl D. Snyder, Alta Mae Sowers, Grace N. Shepley, 1999 Susquehanna Sojourn, Girls Incorporated of Greater Harrisburg and to Baker & Price Jewelers of Harrisburg by Senator Piccola.

Congratulations of the Senate were extended to Grace Eve Rockwell by Senator Punt.

Congratulations of the Senate were extended to Mr. and Mrs. Donald L. Morgan, Mr. and Mrs. John A. Kotch, Belinda Muench, Matthew Ryan Barry, Anastasia Bzura, Betty Vincent, Grace Dunn, E. Paul Long, Nicolas Hutta, Minersville High School Girls' Softball Team, United States Navy Armed Guard, Leighton Chapter, and to the Schuylkill Institute of Business & Technology of Pottsville by Senator Rhoades.

Congratulations of the Senate were extended to Joshua C. Snyder, Sandra Beckman, Andrew M. Zahniser, Brenton Geoffrey Moore, Keith Austin Hittle, Bret Adam Marstellar, Harold Paul Parker, Bradley Duane Elder, Paul Andrew Kucnick, Jr., Rustin B. Burger, Jerrod Paul Kerr, Titusville High School Boys' 3200-Meter Relay Team, citizens of the Borough of Sandy Lake, citizens of Findley Township and to the McKeever Environmental Learning Center by Senator Robbins.

Congratulations of the Senate were extended to Mary McDowell, Daniel B. Soffer, Michael J. Wagner and to Rachael Landy by Senator Salvatore.

Congratulations of the Senate were extended to Mr. and Mrs. Ernest McGraw, Mr. and Mrs. Cyrus Peterson, Eric Cool, James L. Pahel, Sam Sanfilippo, Adam Lundberg, Ronald L. Swanson, Ed Fike, Darren Loddell and to Justin Amy by Senator Slocum.

Congratulations of the Senate were extended to Mr. and Mrs. James B. Huth, Mr. and Mrs. Jack Huber, Mr. and Mrs. R. Dale Fox, Mr. and Mrs. Roy E. Bowser, Mr. and Mrs. Royden Calhoun, Mr. and Mrs. William MacBlane, Mr. and Mrs. George Benes, Mr. and Mrs. Milford Murray, Mr. and Mrs. Edward R. Sievers, Mr. and Mrs. William Dunlap, Mr. and Mrs. Nick Dargenzio, Mr. and Mrs. Tom Marshall, Reverend and Mrs. Robert Burns, Mr. and Mrs. Robert Hillegass, Mr. and Mrs. Wallace Newquist, Mr. and Mrs. Dean Haupt, Mr. and Mrs. James Smathers, Ida Brumbaugh and to the Slate Lick United Presbyterian Church of Freeport by Senator Stapleton.

Congratulations of the Senate were extended to Mr. and Mrs. Leonard Babinski, Mr. and Mrs. Louis J. Gajewski, Mr. and Mrs. Calvin Carter, Mr. and Mrs. Carl Boyan, Mr. and Mrs. Charles Pagac, Mr. and Mrs. Russell Typovsky, Sr., Mr. and Mrs. Vern Cross, Mr. and Mrs. Homer Knisely, Mr. and Mrs. Russell Kearns, Mr. and Mrs. Dallas Slagle, Mr. and Mrs. Tony L. Macre, Mr. and Mrs. Robert S. Kelley, Mr. and Mrs. Jack H. Baker, Mr. and Mrs. Raymond A. Martin, William R. Gamber, Robert L. Ceisler, Harold Cook, Peter C. Rossin, Mary J. Nelson and to the Bennett-Thornton Family by Senator Stout.

Congratulations of the Senate were extended to Phillip W. Kinsey, Anthony DiRocco, Carol Brane, Aaron Shealy, John Reilly, Sarah Starkweather Elementary School of West Chester, Octorara Area Rotary Club of Atglen and to Pfizer, Inc., of Exton by Senator Thompson.

Congratulations of the Senate were extended to Reverend Cookie Frances Lee Brace, Michael Robert Depta, Michael S. Collins, Adam Marino Kolla, Kevin Ashmore and to the Delaware Valley Chapter, Naval Armed Guard, by Senator Tomlinson.

Congratulations of the Senate were extended to Tom Jones by Senator Wagner.

Congratulations of the Senate were extended to Michael Christopher Melusky, Carrie Stagemyer, Loretta Z. Reinhard, Justin R. Mummert, Det. Dana Ward, Daniel Jesse Mays and to the citizens of the Borough of Cross Roads by Senator Waugh.

Congratulations of the Senate were extended to L. Ross Parmer, Chad Benjamin Kuhn, Joseph A. Williams and to Dale E. Stahl by Senator Wenger.

Congratulations of the Senate were extended to Mr. and Mrs. Chester Hawk, Mr. and Mrs. Kenneth C. Terwilliger, Mr. and Mrs. Raymond Cupples, Mr. and Mrs. Andrew V. Lahr, William G. Miller, Michael A. Griebel and to Stephen M. Kahle by Senator White.

Congratulations of the Senate were extended to Theresa Levoy Reid by Senator Williams.

Congratulations of the Senate were extended to Mr. and Mrs. Andrew Toath, Mr. and Mrs. Frank Vezza, Mr. and Mrs. Andrew Felix, Mr. and Mrs. John D. Wicks, Mr. and Mrs. James Preuss, Mr. and Mrs. Carl James Krause, Mr. and Mrs. Seward Holsopple, Mr. and Mrs. Pete Martinovich, Mr. and Mrs. Harry Findley, Mr. and Mrs. Boyd Delozier, J. William Mansberger,

Louis Saverino, Stephanie Martin, Brianna Bearjar, Todd Miller and to Alma Uncles by Senator Wozniak.

### CONDOLENCE RESOLUTIONS

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

Condolences of the Senate were extended to the family of the late Jesse B. Bronstein, Jr., by Senator Dent.

Condolences of the Senate were extended to the family of the late Dr. Richard R. Marhefka by Senator Hart.

Condolences of the Senate were extended to the family of the late Stephanie Denise Vessells Royster by Senator Hughes.

Condolences of the Senate were extended to the family of the late Columbus P. Knox and to the family of Ezel Norman Hoye by Senator Kitchen.

Condolences of the Senate were extended to the family of the late Verdon Squier by Senator Lemmond.

Condolences of the Senate were extended to the family of the late Katharine Dean Tillotson by Senator Murphy.

Condolences of the Senate were extended to the family of the late George J. Heffner and to the family of the late Dr. John J. Mika by Senator Rhoades.

Condolences of the Senate were extended to the family of the late Harold Martin and to the family of the late Ira Hicks by Senator Thompson.

Condolences of the Senate were extended to the family of the late Earlene Davis Holmes, to the family of the late John Venafro, Jr., and to the family of the late Naomi Bernice Garner by Senator Williams.

### POSTHUMOUS CITATION

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

A posthumous citation honoring the late Michael Bosak was extended to the family by Senators Mellow and O'Pake.

### BILLS ON FIRST CONSIDERATION

Senator HUGHES. 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 670, SB 672, SB 765, SB 997 and HB 518.**

And said bills having been considered for the first time, Ordered, To be printed on the Calendar for second consideration.

### REMAINING CALENDAR REREFERRED

Senator LOEPER. Mr. President, I move that all bills remaining on the Calendar be rereferred to the Committee on Rules and Executive Nominations.

The motion was agreed to.

**BILLS SIGNED**

The PRESIDENT pro tempore (Robert C. Jubelirer) in the presence of the Senate signed the following bills:

**SB 3, SB 572, SB 970, HB 10, HB 314, HB 456 and HB 1331.**

**ADJOURNMENT**

The PRESIDENT pro tempore. The Chair takes great delight in recognizing the Majority Leader.

Senator LOEPER. Mr. President, I just thought before I made the adjournment motion tonight, it would be well to note that I believe that in the next 15 minutes this Session will have lasted 16 hours today, and that is just half the amount of hours of the Session of 1991 when we were here for 32 hours straight.

The PRESIDENT pro tempore. I will tell you what, time flies when you are having fun.

Senator LOEPER. Mr. President, I am very pleased at this time to move that the Senate do now adjourn until Monday, September 27, 1999, at 2 p.m., Eastern Daylight Saving Time.

The motion was agreed to.

The Senate adjourned at 11:59 p.m., Eastern Daylight Saving Time.