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TUESDAY, NOVEMBER 15, 2011

SESSION OF 2011 195TH OF THE GENERAL ASSEMBLY

No. 67

SENATE

TUESDAY, November 15, 2011

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

The PRESIDENT (Lieutenant Governor Jim Cawley) in the Chair.

PRAYER

The Chaplain, Reverend BRUCE E. DALIOUS, of Bern Reformed United Church of Christ, Leesport, offered the following prayer:

May we open ourselves to prayer.

Source of all life, love, and compassion, we give You thanks this day for all our sisters and brothers gathered here by their duty, concern, and love for this State and for all the individuals who live here. They face a unique task. They face the task of being a voice to the poor and the wealthy, the able and the disabled, this generation and generations yet to come. They have a great challenge before them, a nearly impossible human task, where they are called to balance the needs of all with the limited resources of our time and this State. Help them to hear one another. Grant them open, creative minds and spirits which may indeed, with Your leadership, accomplish the impossible. Help them to hold fast and be nurtured by Your sacred values of life, love, and compassion, which call us forward toward the abundant life You intend for all. For all that they may accomplish this day, may You be honored, affirmed, and praised. Amen.

The PRESIDENT. The Chair thanks Reverend Dalious, who is the guest today of Senator Schwank.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by those assembled.)

HOUSE MESSAGES

HOUSE CONCURS IN SENATE BILL

The Clerk of the House of Representatives returned to the Senate **SB 834**, with the information the House has passed the same without amendments.

BILL SIGNED

The PRESIDENT (Lieutenant Governor Jim Cawley) in the presence of the Senate signed the following bill:

SB 834.

BILLS REPORTED FROM COMMITTEES

Senator TOMLINSON, from the Committee on Consumer Protection and Professional Licensure, reported the following bills:

HB 344 (Pr. No. 2750) (Amended)

An Act providing for gas and hazardous liquids pipelines and for powers and duties of the Pennsylvania Public Utility Commission; and imposing civil penalties.

HB 1630 (Pr. No. 2751) (Amended)

An Act amending the act of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle Sales Finance Act, further providing for revocation or suspension of licenses.

Senator D. WHITE, from the Committee on Banking and Insurance, reported the following bills:

SB 201 (Pr. No. 163)

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, providing for access to community pharmacy services.

SB 939 (Pr. No. 1787) (Amended)

An Act amending the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act, further providing for unfair acts.

SB 1334 (Pr. No. 1769)

An Act amending the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, further providing for additional powers of incorporated institutions related to conduct of business; and providing for ownership of property.

SB 1335 (Pr. No. 1772)

An Act amending the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, further providing for names permitted to be used and for prohibition of adoption, use or advertisement of certain names, titles and descriptions.

SB 1336 (Pr. No. 1766)

An Act amending the act of December 18, 1996 (P.L.1066, No.159), known as the Accident and Health Filing Reform Act, dividing the act into Federal compliance and Commonwealth exclusivity; in Federal compliance, further providing for definitions, for required fil-

ings, for review procedure, for notice of disapproval, for use of disapproved forms or rates, for review of form or rate disapproval, for disapproval after use, for filing of provider contracts, for record maintenance, for public comment and for penalties and providing for regulations and for expiration; in Commonwealth exclusivity, providing for regulations and for action by the Insurance Commissioner; and making editorial changes.

Senator PICCOLA, from the Committee on Education, reported the following bills:

SB 1133 (Pr. No. 1788) (Amended)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in State System of Higher Education, further providing for purposes and general powers.

SB 1211 (Pr. No. 1790) (Amended)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in State System of Higher Education, further providing for project contracts.

SB 1221 (Pr. No. 1791) (Amended)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in State System of Higher Education, providing for relations with private affiliated entities and for college year and classifications, leaves of absence and faculty salaries in cases of sickness or death; and making related repeals.

SB 1239 (Pr. No. 1528)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in the State System of Higher Education, further providing for project contracts.

SB 1308 (Pr. No. 1732)

An Act authorizing the State System of Higher Education and its employees to enter into certain economic development agreements; providing for approval and notice, for reports and for limitations; and making an inconsistent repeal.

SB 1322 (Pr. No. 1743)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in State System of Higher Education, further providing for purposes and general powers.

Senator PIPPY, from the Committee on Law and Justice, reported the following bills:

SB 790 (Pr. No. 1792) (Amended)

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, further providing for shipment of wine into Commonwealth.

HB 242 (Pr. No. 2749) (Amended)

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, further providing for definitions, for authority to issue liquor licenses to hotels, restaurants and clubs, for sales by liquor licensees and restrictions, for prohibited interlocking business, for public venue license, for malt and brewed beverages retail licenses, for

prohibitions against the grant of licenses, for sales by manufacturers of malt or brewed beverages and minimum quantities, for distributors' and importing distributors' restrictions on sales, storage, for retail dispensers' restrictions on purchases and sales, for brand registration, for breweries, for licenses not assignable and transfers, for renewal of licenses and temporary provisions for licensees in armed service, for responsible alcohol management, for unlawful acts relative to liquor, alcohol and liquor licensees, for unlawful acts relative to malt or brewed beverages and licensees, for hours of operation relative to manufacturers, importing distributors and distributors, for unlawful acts relative to liquor, malt and brewed beverages and licensees, for reporting of worthless checks, for limited wineries and for distilleries.

Senator RAFFERTY, from the Committee on Transportation reported the following bills:

SB 344 (Pr. No. 1786) (Amended) (Rereported)

An Act amending Title 74 (Transportation) of the Pennsylvania Consolidated Statutes, providing for public-private transportation partnerships; and making a related repeal.

SB 1252 (Pr. No. 1532)

An Act redesignating Davis Street Bridge, over Interstate 81 at Exit 182, Moosic Borough, Lackawanna County, as the Andrew A. Pompey and Durando J. Pompey Memorial Bridge.

HB 1399 (Pr. No. 1660)

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in general provisions, further defining "motorcycle."

HB 1862 (Pr. No. 2400)

An Act designating a bridge carrying State Route 607 over Freeman Run in the Borough of Austin, Potter County, as the Captain Edgar E. Nuschke Memorial Bridge; and designating a bridge carrying State Route 872 at Section 110 Offset 0960 over the East Fork of Sinnemahoning Creek in Wharton Township, Potter County, as the Private First Class Edward Ritsick Memorial Bridge.

LEGISLATIVE LEAVES

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

Senator PILEGGI. Mr. President, I request temporary Capitol leaves for Senator Piccola and Senator Don White, and a legislative leave for Senator Greenleaf.

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

Senator COSTA. Mr. President, I request a temporary Capitol leave for Senator Williams.

The PRESIDENT. Senator Pileggi requests temporary Capitol leaves for Senator Piccola and Senator Don White, and a legislative leave for Senator Greenleaf.

Senator Costa requests a temporary Capitol leave for Senator Williams.

Without objection, the leaves will be granted.

LEAVE OF ABSENCE

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

JOURNALS APPROVED

The PRESIDENT. The Journals of the Sessions of October 17, 2011, and October 18, 2011, are now in print.

The Clerk proceeded to read the Journals of the Sessions of October 17, 2011, and October 18, 2011.

Senator PILEGGI. Mr. President, I move that further reading of the Journals be dispensed with and that the Journals be approved.

On the question,

Will the Senate agree to the motion?

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

YEA-49

Alloway	Erickson	Orie	Vance
Argall	Farnese	Piccola	Vogel
Baker	Ferlo	Pileggi	Ward
Blake	Folmer	Pippy	Washington
Boscola	Fontana	Rafferty	Waugh
Brewster	Gordner	Robbins	White Donald
Browne	Greenleaf	Scarnati	White Mary Jo
Brubaker	Hughes	Schwank	Williams
Corman	Kasunic	Smucker	Wozniak
Costa	Kitchen	Solobay	Yaw
Dinniman	Leach	Stack	
Earll	McIlhinney	Tartaglione	
Eichelberger	Mensch	Tomlinson	

NAY-0

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

The PRESIDENT. The Journals are approved.

LEGISLATIVE LEAVE CANCELLED

The PRESIDENT. Senator Don White has returned, and his temporary Capitol leave is cancelled.

SPECIAL ORDER OF BUSINESS GUEST OF SENATOR JUDY SCHWANK PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentlewoman from Berks, Senator Schwank.

Senator SCHWANK. Mr. President, I rise to introduce an individual who comes from my county and is here today as our guest Chaplain, Pastor Bruce Dalious. Pastor Bruce is the leader of the Bern Reformed United Church of Christ, which has a 275-year proud history. In fact, it is older than our county. I had the privilege of attending the ceremony, where the church recognized and celebrated that 275th anniversary and observed Pastor Bruce in action. I was very impressed with his ministry to both the older congregants as well as the youth, particularly the young children. I congratulate Pastor Bruce, and ask my colleagues in the Senate to welcome him.

The PRESIDENT. Would the guest of Senator Schwank please rise so that the Senate may give you its usual warm welcome.

(Applause.)

GUESTS OF SENATOR VINCENT J. HUGHES PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I must say, the opportunity to introduce these guests comes as a direct result of doing some close work with my good friend and colleague, Senator Washington. As a result of working with her last year, I witnessed a special ceremony that she put together acknowledging veterans from her senatorial district. Quite frankly, as I told these individuals whom I am about to acknowledge, Mr. President, this past Friday, on 11/11/11, Veterans Day, I was not ashamed to acknowledge Senator Washington as being the originator of the idea that I copied, so then they decided to come to Harrisburg.

Mr. President, I would like to acknowledge individuals who have served our nation in a most honorable and distinguished fashion. We celebrated them on Veterans Day this past Friday, and we are celebrating them here on the floor. I will not read their full biographies, I will provide them to the Senate Official Reporter. With me I have Barbara Cooke, whose husband served in the Air Force, and she is currently the assistant treasurer and veterans chair for the NAACP Philadelphia Chapter; Mr. Anthony Davis, who served in the United States Army from 1981 to 2008; Miss Shirley Contee-Ellis; Miss Laura Elam, who served with the U.S. Army Reserves from 1982 to 2009; Thomas Nesbitt, who enlisted in the United States Navy, where he served 7 years on active duty and 4 years in the Reserves.

Also with us, Mr. President, are our junior ROTC students, Mr. Stephen Harper, from West Philadelphia High School and with the Air Force; Miss Dinah Hayward, from Overbrook High School and with the Army; Mr. Vernon Mobley, from Benjamin Franklin High School and with the Navy; Miss Khaila Williams, from West Philadelphia High School and with the Air Force; and their commanders, Commander James Mackey, from Benjamin Franklin High School; Colonel Michael Silverman, from West Philadelphia High School; and Commander Christian Taddeo, from Overbrook High School.

We also have with us Virginia Cofield, who joined the U.S. Army Reserves in 1981; Sidney Crawford, who trained for the U.S. Army in Fort Dix and in Fort Jackson; Isaac Ivory, born in Kathleen, Georgia, moved to Philadelphia, and served in the United States Army in 1945; Mr. Eugene Palmer was drafted into the U.S. Army in March 1964, and served in Vietnam from 1965-66; Jesse Pinkney served in the U.S. Army from 1948 to 1953; Leon Roberts, a corporal in the United States Army; Wayne Saunders served in the U.S. Air Force; Vernon Summers, United States Air Force; Denise Williams, U.S. Army; and the last one, Mr. President, I think it is important to note, we have here with us Alvin Tucker, who is the great, great-grandson of David Pace Urquhart, who served in the Civil War.

These were the individuals we recognized this past Friday. They wanted to come to Harrisburg, and we wanted them to come to Harrisburg to tour the Capitol, to see what we do, and to acknowledge them for their careers and records of service.

Thank you, Mr. President.

The PRESIDENT. Would the guests of Senator Hughes please rise so that the Senate may give you its usual warm welcome.

(Applause.)

GUESTS OF SENATOR ROBERT D. ROBBINS PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Mr. President, today I have the pleasure of introducing Adam Clark and Aaron Emmett, who are serving as guest Pages in the Senate.

Both Adam and Aaron are eighth-graders at St. Michael School in Greenville. Adam is a member of the church and school choir, serves as class president, and is a member of the St. Michael Varsity Basketball Team, soccer team, and Chess Club. He has participated in National History Day, Youngstown English Festival, and the Pennsylvania Junior Achievement of Science. Additionally, he has attended the National Youth Leadership Conferences in Washington, D.C., and Boston, and will be attending a conference in Pittsburgh this coming February.

Aaron is an altar server and a member of the St. Michael Varsity Basketball Team. Additionally, he is the class treasurer and participates in the Youngstown English Festival, National History Day, and Pennsylvania Junior Achievement of Science.

Adam and Aaron are accompanied here today by Adam's father, Mr. Christopher Clark, who is seated in the Senate gallery. Mr. President and fellow Members, please join me in welcoming my special guests to the Senate of Pennsylvania.

The PRESIDENT. Will the guests of Senator Robbins please rise so that the Senate may give you its usual warm welcome.

(Applause.)

RECESS

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

Senator PILEGGI. Mr. President, I request a recess of the Senate for purposes of a meeting of the Committee on Local Government to be held in the Rules room immediately, to be followed by a Republican caucus to be held in the Majority Caucus Room.

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

Senator COSTA. Mr. President, at the conclusion of the meeting of the Committee on Local Government, Senate Democrats will meet in their caucus room at the rear of the Chamber.

The PRESIDENT. For purposes of a meeting of the Committee on Local Government, to be followed by Republican and Democratic caucuses, without objection, the Senate stands in recess.

AFTER RECESS

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

LEGISLATIVE LEAVES CANCELLED

The PRESIDENT. Senator Piccola and Senator Williams have returned, and their temporary Capitol leaves are cancelled.

LEGISLATIVE LEAVE

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

Senator PILEGGI. Mr. President, I request a temporary Capitol leave for Senator Don White.

The PRESIDENT. Senator Pileggi requests a temporary Capitol leave for Senator Don White. Without objection, the leave will be granted.

CALENDAR

THIRD CONSIDERATION CALENDAR

BILL AMENDED

SB 390 (Pr. No. 1681) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for definitions; in registration of vehicles, further providing for vehicles exempt from registration; in commercial drivers, further providing for definitions; and in inspection of vehicles, further providing for requirement for periodic inspection of vehicles, for operation of vehicle without official certificate of inspection, for securing loads in vehicles and for width of vehicles.

On the question,

Will the Senate agree to the bill on third consideration?

Senator BRUBAKER offered the following amendment No. A6302:

Amend Bill, page 1, line 9, by striking out ", for securing loads in vehicles"

Amend Bill, page 9, line 28, by striking out ", 4903(e)"

Amend Bill, page 10, lines 23 through 30; page 11, lines 1 through 10, by striking out all of said lines on said pages

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 PILEGGI.

BILL OVER IN ORDER

SB 405 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 735 (Pr. No. 2093) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, further providing for unlawful acts concerning licenses.

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-46

Alloway	Eichelberger	McIlhinney	Tartaglione
Argall	Erickson	Mensch	Tomlinson
Baker	Farnese	Orie	Vance
Blake	Ferlo	Piccola	Vogel
Boscola	Folmer	Pileggi	Ward
Brewster	Fontana	Pippy	Washington
Browne	Gordner	Rafferty	Waugh
Brubaker	Greenleaf	Robbins	White Donald
Corman	Hughes	Scarnati	Williams
Costa	Kasunic	Schwank	Yaw
Dinniman	Kitchen	Smucker	
Earll	Leach	Stack	

NAY-3

Solobay White Mary Jo Wozniak

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 864 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 923 (Pr. No. 960) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of May 28, 1937 (P.L.955, No.265), known as the Housing Authorities Law, further providing for powers of an authority.

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

Alloway	Erickson	Orie	Vance
Argall	Farnese	Piccola	Vogel
Baker	Ferlo	Pileggi	Ward
Blake	Folmer	Pippy	Washington
Boscola	Fontana	Rafferty	Waugh
Brewster	Gordner	Robbins	White Donald
Browne	Greenleaf	Scarnati	White Mary Jo
Brubaker	Hughes	Schwank	Williams

Corman	Kasunic	Smucker	Wozniak
Costa	Kitchen	Solobay	Yaw
Dinniman	Leach	Stack	
Earll	McIlhinney	Tartaglione	
Eichelberger	Mensch	Tomlinson	

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 1100 -- Without objection, the bill was passed over in its order temporarily at the request of Senator PILEGGI.

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 1183 (Pr. No. 1778) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 18 (Crimes and Offenses), 23 (Domestic Relations), 42 (Judiciary and Judicial Procedure), 44 (Law and Justice) and 61 (Prisons and Parole) of the Pennsylvania Consolidated Statutes, extensively revising provisions relating to the treatment, classification, sentencing and registration of sexual offenders; further providing for obscene and other sexual materials and performances; and making editorial changes.

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 gentlewoman from Allegheny, Senator Orie.

Senator ORIE. Mr. President, in the midst of all the pressing issues facing the State of Pennsylvania, one that sometimes gets lost in the shuffle is the safety and welfare of Pennsylvania's most vulnerable, and when I indicate most vulnerable, I am talking about the child victims of sexual assault, as well as adult victims.

As a former 10-year veteran prosecutor who specialized in prosecuting these crimes, I cannot emphasize enough the significance and importance of this legislation. Various legal treatises, studies, and experts have shown that there are about 200,000 to 250,000 sexual predators who migrate from one State to another, based on the laws that the State has on record to address sexual predators. Today, with this monumental step in compliance and through adoption of the Adam Walsh Act, Pennsylvania is taking a major step to close that horrific loophole. Pennsylvania will be moving forward to adopt uniform laws pertaining to sexually violent predators, and reporting requirements so that Pennsylvania, like other States across this nation, has uniform laws so that these predators will no longer migrate from State to State. As I previously stated, this legislation is an important priority for Pennsylvania, and the State Senate is taking the lead to insure

that the safety and welfare of our most vulnerable is one of the biggest priorities we have here in Pennsylvania.

Mr. President, I would like to thank the Governor for his cooperation and leadership on this, as well as the Majority chairman of the Committee on Judiciary, Senator Greenleaf; the Minority chairman, Senator Leach; as well as my colleagues, Senator Rafferty; the Majority Leader, Senator Pileggi; and the Minority Leader, Senator Costa, for moving Pennsylvania forward on this issue.

Just briefly, Mr. President, Senate Bill No. 1183 will close Megan's Law loopholes and add provisions bringing transient sex offenders under the current provision of Megan's Law. It will make sure that out-of-State offenders entering Pennsylvania, and offenders required to register under earlier versions of Megan's Law, must register and can be prosecuted for not registering. A definition of "transient" has been added. The definition of "residence" has been changed to include an individual's habitual locale. With these definitions, a transient individual would be in violation of the law for not registering. The above changes to the current law take effect immediately.

As for the Adam Walsh provision, the bill rewrites Megan's Law to bring Pennsylvania into full compliance with the Adam Walsh Act. In addition, it classifies these offenders under various classifications and updates, and puts stringent registration requirements on these individuals. Mr. President, other States are grappling with how they will fund the Adam Walsh Act. To the credit of this legislature, under Jessica's Law, which was passed over 2 years ago, Pennsylvania is the only State in the nation that allows for you to take seizure for sexually violent cases or sexual offenses. This will be the opportunity for Pennsylvania to show what it is doing with this law, to be in the forefront, and to use those moneys specifically to address these changes.

Mr. President, I ask for an affirmative vote, because as I stated, this is a priority on which we can no longer sit back. I ask all my colleagues to join me in supporting this legislation.

LEGISLATIVE LEAVE CANCELLED

The PRESIDENT. Senator Greenleaf has returned, and his legislative leave is cancelled.

And the question recurring,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Rafferty.

Senator RAFFERTY. Mr. President, very briefly, I want to compliment my friend and colleague, Senator Orie, who took the point in preparing this legislation and negotiations, along with Senator Greenleaf, the Majority Leader, and the Minority Leader, and also the Pennsylvania State Police and Pennsylvania Commission on Sentencing, along with the Governor's Office for their work on this important piece of legislation.

Mr. President, unfortunately, in Pennsylvania, the headlines for the past several years in our local newspapers have dealt with children being sexually abused. This is a huge step in the right direction for Pennsylvania to now come into compliance with Federal law and to make sure that we take a huge step in registering these sexually violent offenders and protecting our most pre-

cious resource, the children of the Commonwealth of Pennsylvania. I join my colleague in asking for an affirmative vote.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Mr. President, I join with my colleagues in once again commending my friend and a true advocate for children and underdogs, Senator Orie. If we have one job around here, one sacred mission, it is the protection of children, and it is about time Pennsylvania lined up with other States in standing up against these child predators. With the standard of the law right now, we still have a loophole where sexual predators do not have to register in Pennsylvania if they have registered in other States. This law smartly closes that loophole and stands up for the protection of children.

So I look forward to voting in support of this, and continuing to make sure we have very tough, strong laws that protect our children.

Thank you, Mr. President.

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-49

Alloway	Erickson	Orie	Vance
Argall	Farnese	Piccola	Vogel
Baker	Ferlo	Pileggi	Ward
Blake	Folmer	Pippy	Washington
Boscola	Fontana	Rafferty	Waugh
Brewster	Gordner	Robbins	White Donald
Browne	Greenleaf	Scarnati	White Mary Jo
Brubaker	Hughes	Schwank	Williams
Corman	Kasunic	Smucker	Wozniak
Costa	Kitchen	Solobay	Yaw
Dinniman	Leach	Stack	
Earll	McIlhinney	Tartaglione	
Eichelberger	Mensch	Tomlinson	

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 1276 (Pr. No. 1780) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of August 9, 1955 (P.L.323, No.130), known as The County Code, further providing for classification of counties.

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

Alloway	Erickson	Orie	Vance
Argall	Farnese	Piccola	Vogel
Baker	Ferlo	Pileggi	Ward
Blake	Folmer	Pippy	Washington
Boscola	Fontana	Rafferty	Waugh
Brewster	Gordner	Robbins	White Donald
Browne	Greenleaf	Scarnati	White Mary Jo
Brubaker	Hughes	Schwank	Williams
Corman	Kasunic	Smucker	Wozniak
Costa	Kitchen	Solobay	Yaw
Dinniman	Leach	Stack	
Earl	McIlhinney	Tartaglione	
Eichelberger	Mensch	Tomlinson	

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 1310 (Pr. No. 1782) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, further providing for definitions, for determination of contribution rate, for additional contribution for interest, for trigger determination, for collection of contribution and interest and injunctions, for compensation rate, for Unemployment Compensation Fund, for Interest Fund, for State Treasurer as custodian, for recovery and recoupment of compensation; and providing for unemployment compensation bonds and for unemployment compensation amnesty program.

On the question,

Will the Senate agree to the bill on third consideration?

TARTAGLIONE AMENDMENT A6402 OFFERED

Senator TARTAGLIONE offered the following amendment No. A6402:

Amend Bill, page 3, line 12, by striking out "and" and inserting a comma

Amend Bill, page 3, line 13, by striking out "thereafter" and inserting:

for each calendar year thereafter, that sum equal to the amount applicable from the previous calendar year and an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area, for the most recent twelve-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics sixty days prior to the date the sum is due to take effect, the percentage increase, the increased amount of which sum shall be determined and published by the secretary as a notice in the Pennsylvania Bulletin within ten days of the date such determination is made

On the question,

Will the Senate agree to the amendment?

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

Senator TARTAGLIONE. Mr. President, this amendment provides for a cost-of-living adjustment to be added to the \$10,000 taxable wage base after 2018. The COLA will be calculated by applying the percentage change in the Consumer Price Index for the most recent 12-year period. This State has not increased its taxable rate since 1982. The time has come to raise the taxable rate in Pennsylvania.

In 2011, 41 States have taxable wage bases higher than Pennsylvania's, which is currently set at \$8,000. Of the 41 States with higher taxable wage bases, 30 have taxable wage bases above \$10,000, the amount Senate Bill No. 1310 would set as Pennsylvania's taxable wage base by the year 2018. Of the 30 States with taxable wage bases above \$10,000, two of the surrounding States, Delaware and New Jersey, are included. Delaware's tax rate base is \$10,500, and New Jersey's is \$29,600.

Other than Pennsylvania, only Alaska and New Jersey levy unemployment insurance taxes on employers. If we compare Pennsylvania and New Jersey, Pennsylvania's employees pay a lower unemployment insurance tax rate on a higher amount of wages than New Jersey employees who pay a higher UI tax rather than a lower wage amount. Pennsylvania employees pay less toward UI benefits than do employees in New Jersey, and employees contribute equally to UI benefits.

As we said at our committee meeting, this bill does not address the solvency of the Unemployment Compensation Trust Fund. While this bill includes one of the suggested measures toward achieving solvency - increasing the taxable wage base - the bill does not increase the taxable wage base beyond \$10,000. If we are going to increase the taxable wage base, should we not make an attempt to achieve solvency by permanently indexing the taxable wage base?

Since Pennsylvania currently ranks fourth-highest in outstanding State loans from the Federal unemployment account, we must raise our taxable wage base above \$10,000 after 2018 in order to keep pace with the growing debt in our Unemployment Compensation Trust Fund. My amendment would provide an increase in that taxable wage base in 2019 and each succeeding year thereafter, which would contribute toward the solvency of the Unemployment Compensation system. In years when there is no growth or a recession, like we are experiencing recently, the CPI will not change unless there would be no increase in a taxable wage base. In years when the economy is profitable, the tax base will increase according to the percentage change in the CPI.

Mr. President, I ask for an affirmative vote on this amendment.

The PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator Gordner.

Senator GORDNER. Mr. President, I rise in opposition to this amendment. Let us get two facts of information out there right at the beginning, and this will be consistent over the next couple of amendments. Right now, Pennsylvania employers provide the second-highest amount of benefits of any State in the country. We are only behind California. We are not the second-largest State. Thankfully, we are not the second-highest unemployment State. As a matter of fact, for 30-plus months, we have consistently been below the national unemployment rate, which is good

for our State. So, providing benefits is not an issue because we already are second in the country in the most generous amount of benefits.

Here is the second bit of information. Right now, Pennsylvania employers are in the top three in the country in the amount of taxes that they pay into the Unemployment Compensation Trust Fund. Let me repeat that now. Pennsylvania employers are in the top three in the country in the amount of taxes that they pay into the Unemployment Compensation Trust Fund. So, further raising taxes should not be an issue for Pennsylvania employers.

I am very proud of what I have put together in regard to Senate Bill No. 1310. It solves a huge issue, and I will get into more detail on final passage. But what I did in Senate Bill No. 1310 was craft a system that is revenue neutral. It raises, over a series of years, the taxable wage base from \$8,000 to \$10,000. At the same time, it adjusts down the State adjustment factor to make this bill truly revenue neutral.

What this amendment would do is make it a tax increase. After 2018, there would be a CPI that would be in effect forever, and that would end up being a tax increase on Pennsylvania employers. Small businesses, medium-sized businesses, large businesses, your mom-and-pop stores that are struggling in your downtowns, this would be a tax increase. It would no longer be revenue neutral.

For those reasons, I oppose this amendment and ask for a negative vote.

LEGISLATIVE LEAVE

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

Senator PILEGGI. Mr. President, I request a legislative leave for Senator Corman.

The PRESIDENT. Senator Pileggi requests a legislative leave for Senator Corman. Without objection, the leave will be granted.

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

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

YEA-16

Blake	Farnese	Kasunic	Solobay
Brewster	Ferlo	Kitchen	Tartaglione
Costa	Fontana	Leach	Williams
Dinniman	Hughes	Schwank	Wozniak

NAY-33

Alloway	Erickson	Pippy	Ward
Argall	Folmer	Rafferty	Washington
Baker	Gordner	Robbins	Waugh
Boscola	Greenleaf	Scarnati	White Donald
Browne	McIlhinney	Smucker	White Mary Jo
Brubaker	Mensch	Stack	Yaw
Corman	Orie	Tomlinson	
Earl	Piccola	Vance	
Eichelberger	Pileggi	Vogel	

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?

TARTAGLIONE AMENDMENT A6404 OFFERED

Senator TARTAGLIONE offered the following amendment No. A6404:

Amend Bill, page 3, line 30, by striking out the bracket before "The]"

Amend Bill, page 3, line 30, by striking out "](1) Except as provided in paragraph (2), the"

Amend Bill, page 5, line 6, by striking out the bracket before "one"

Amend Bill, page 5, lines 6 and 7, by striking out "] the " in line 6 and "maximum rate allowed under this section" in line 7

Amend Bill, page 5, line 8, by striking out "the maximum rate"

Amend Bill, page 5, lines 11 through 15, by striking out all of said lines

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

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

Senator TARTAGLIONE. Mr. President, this amendment removes the language from the bill which would have lowered the State adjustment factor to .75 percent by 2018. Currently, the maximum State adjustment factor in Pennsylvania is 1.5 percent. Senate Bill No. 1310 would lower the maximum State adjustment factor to .75 by 2018, offsetting the increase in the taxable wage base and making this bill revenue neutral. As a result, this bill would not make any strides toward solvency of the UC Trust Fund.

Additionally, since the current maximum State adjustment factor does not cover the cost of UC benefits at this time, lowering the maximum rate to .75 by 2018 will cover even less benefits in the future. My amendment will keep the maximum State adjustment factor at its current rate of 1.5 percent to allow further revenue to be collected in an effort to achieve future solvency and to maintain the annual employer payments toward UC benefits.

Mr. President, I ask for an affirmative vote.

The PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator Gordner.

Senator GORDNER. Mr. President, like I mentioned before, and even as the sponsor of this amendment says, I have crafted Senate Bill No. 1310 so that it is revenue neutral to our employers. The economy is still facing a lot of challenges, our employers out there are still facing a lot of challenges, and so we have come up with this incredible revenue-neutral plan. In order to make it revenue neutral, as we raise the taxable base wage, we are lowering the State adjustment factor. What this amendment would do is not allow that to be lowered as it should be, which will result in increased taxes paid by employers into the Unemployment Compensation Trust Fund.

I do not believe doing a tax increase on our employers, when they are already in the top three in the nation in regard to taxes paid into the UC Trust Fund, makes sense. As a result of this amendment, creating a tax increase on our employees, I ask for the Members of the Senate to vote "no."

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

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

YEA-16

Blake	Farnese	Kasunic	Solobay
Brewster	Ferlo	Kitchen	Tartaglione
Costa	Fontana	Leach	Williams
Dinniman	Hughes	Schwank	Wozniak

NAY-33

Alloway	Erickson	Pippy	Ward
Argall	Folmer	Rafferty	Washington
Baker	Gordner	Robbins	Waugh
Boscola	Greenleaf	Scarnati	White Donald
Browne	McIlhinney	Smucker	White Mary Jo
Brubaker	Mensch	Stack	Yaw
Corman	Orie	Tomlinson	
Earl	Piccola	Vance	
Eichelberger	Pileggi	Vogel	

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?

LEACH AMENDMENT A6424 OFFERED

Senator LEACH offered the following amendment No. A6424:

Amend Bill, page 2, lines 3 through 7, by striking out all of said lines and inserting:

Section 1. Section 4(a), (f) and (x)(1) of the act of December 5, 1936 (2nd Sp. Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, amended May 23, 1949 (P.L.1738, No.530), July 6, 1977 (P.L.41, No.22), July 10, 1980 (P.L.521, No.108) and July 21, 1983 (P.L.68, No.30), are amended to read:

Amend Bill, page 2, by inserting between lines 10 and 11:

(a) "Base year" means:

(1) Except as otherwise provided in paragraph (2), the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year.

(2) If an individual's base year determined in accordance with paragraph (1) contains insufficient wages to qualify the individual for a weekly benefit rate or contains fewer than sixteen (16) credit weeks, the most recent four completed calendar quarters preceding the first day of the individual's benefit year. The calendar quarters included in a base year under this paragraph may not be used at any time after their inclusion for the purposes of this paragraph in the calculation of benefits for a subsequent benefit year.

Amend Bill, page 3, by inserting between lines 26 and 27:

Section 1.1. Section 301.1(e) of the act, amended July 21, 1983 (P.L.68, No.30), is amended to read:

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

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Leach.

Senator LEACH. Mr. President, this amendment would add a new alternative base period for the calculation of eligibility for unemployment benefits. It would spread it out, and it would add

an extra quarter to the eligibility for certain workers. Specifically, the persons most likely to be helped by this alternative base period would be seasonal workers, construction workers, low-wage workers, and persons who are relatively new to the labor force, such as high school and recent college graduates. I will just point out that 39 States have this particular alternative base period as part of their law, Mr. President, and I urge my colleagues to support it.

It would add about 30,000 people to eligibility. This is an excellent opportunity for us to add people to the eligibility list for unemployment compensation, people who would otherwise have no source of income or would have to go on to public assistance, which would, of course, cost the taxpayers money. This gives them an opportunity to take advantage of a program that they, frankly, pay into, and that they are not currently able to take advantage of even if they lose their job through no fault of their own, which is the purpose of unemployment insurance.

I know you can come along and say, well, you know, the more people who are eligible, the more the program is going to cost. That is theoretically true. Theoretically, if we did not have unemployment compensation at all, it would be a much, much cheaper program, Mr. President. However, it seems to me that if we are going to have a program like this to help people who are struggling in tough times, again, through no fault of their own, we ought to make eligibility as broad as possible to people who are legitimately out of work and in need.

Thirty-nine other States, a variety of States with a long range of ideological predilections, have adopted this because they have seen the importance of providing this sort of opportunity for their workers, particularly for low-wage workers who are desperate for some assistance. So I urge a "yes" vote with that in mind.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator Gordner.

Senator GORDNER. Mr. President, unlike the first two amendments, this takes a completely different tack. As we hopefully now know, our UC Trust Fund is insolvent. We have had to borrow \$3.1 billion or so from the Federal trust fund. What this does is increase benefits and increase more debt to our already insolvent system. Let me repeat something I just mentioned a couple of minutes ago: Pennsylvania pays out the second-most amount of benefits per State in the country, behind only California. We are second in regard to the amount of benefits we already pay out.

Let me mention something else, which, probably beyond the Democratic chairman of the Committee on Labor and Industry and myself, the rest of you may not know. In the economic stimulus package that was passed by Congress and promoted by President Obama a couple of years ago, there were a number of things of which States could take advantage. One of those things was about a \$260 million sum of money that Pennsylvania could have accessed for unemployment compensation, but in order to access, there were tremendous strings attached. One of the strings attached was this proposal.

So, what we did was we took a look at it. In order to get that one-time sum of money, that one-time \$260 million, it did not make sense to take the large strings that went along with it. We determined that this string would cost the Unemployment Compensation Trust Fund about \$60 million to \$65 million per year, every year. So in order to get that one-time payment from the

Feds of \$260 million, over a 10-year period, we would have to eat \$600 million to \$650 million for a system that was already insolvent. We rejected that and decided not to go down that road.

When our system is already insolvent, do we, as a Senate, want to add a program that is going to add \$60 million to \$65 million this year, next year, the following year, to the system? We cannot afford it. We cannot afford it now. Again, let me say, we pay--and you are going to get tired of me saying this--the second-most amount of benefits of any State in the country. We are not the second largest, and we are certainly not the second with the highest unemployment rate. This is the wrong time to be doing this, and I ask for a negative vote on this amendment.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Leach.

Senator LEACH. Mr. President, the maker of the bill is correct. There was an opportunity to get \$260 million of Federal money into Pennsylvania if we adopted this. Now, assuming the accuracy of his figure of \$600 million of the total cost of the program, you know--keep in mind, that money is not just shot into the river and floated downstream. That money actually goes for a purpose, and that purpose is to provide sustenance, living for our citizens here in Pennsylvania who are unemployed, again, through no fault of their own, or else they would not be eligible for this, and that money would be used to help them feed their families, pay their mortgages, stay in their homes, pay for their medicine, and pay for things they need for their kids' school. That is what the money goes toward.

You can always make the argument that it will be cheaper -- and I think the gentleman made the argument this is bad because it increases benefits, and therefore, it is going to cost money. As I said before, you can always make the argument that, sure, anytime we have any benefits at all, that costs money. The way to have the cheapest possible program is to not have a program at all, to tell people who are unemployed, you are on your own. We have made a decision over the years, Mr. President, not only us but the nation, not to do that.

Again, keep in mind, what is the alternative for these people? The alternative for these people is to be either utterly destitute or to go on some form of public assistance, whether it is what is classically called welfare, food stamps, or whatever else it might be. So, it is not like the taxpayer gets a break here. The taxpayer is going to be paying for those programs as well. This, however, is an insurance program that people pay into for this particular purpose. Yes, it would be cheaper.

Now, the gentleman makes the point it would be cheaper if we just keep cutting benefits. That is absolutely empirically true. So, we have to make a philosophical decision as to whether or not that is the way we want to go as a State, and then explain to these people and their families what is the alternative when we have an unemployment rate that is now rising faster than the rest of the country.

I will say one additional thing, Mr. President, which is that I believe this bill--actually, when the gentleman talked about, well, we are insolvent, we cannot afford this. Does this bill not take money from the Unemployment Compensation Trust Fund and actually reduce money going into that fund? So, if we are insolvent, how do we do that? How do we afford that? The only way we can afford that is to make a decision that it is more important to give money to industry than it is to give money to workers

who are unemployed and need a way to feed their families. I think that is the wrong way to go. I think it defeats the intent of having a safety net and having unemployment compensation.

Keep in mind, when you say a safety net--everyone says, we just want to help people who really need it, not people who do not want to work. These are all people who want to work or who were working but lost their jobs because of the economy, through no fault of their own. We are going to say to them, you are on your own so we can give another tax cut to somebody, and I just think that is wrong.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Mary Jo White.

Senator M.J. WHITE. Mr. President, instead of giving them expanded benefits, let us give them jobs by supporting the Marcellus Shale bill. Thank you.

And the question recurring,

Will the Senate agree to the amendment?

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

YEA-16

Blake	Farnese	Kasunic	Solobay
Brewster	Ferlo	Kitchen	Tartaglione
Costa	Fontana	Leach	Williams
Dinniman	Hughes	Schwank	Wozniak

NAY-33

Alloway	Erickson	Pippy	Ward
Argall	Folmer	Rafferty	Washington
Baker	Gordner	Robbins	Waugh
Boscola	Greenleaf	Scarnati	White Donald
Browne	McIlhinney	Smucker	White Mary Jo
Brubaker	Mensch	Stack	Yaw
Corman	Orie	Tomlinson	
Earll	Piccola	Vance	
Eichelberger	Pileggi	Vogel	

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?

LEGISLATIVE LEAVE

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

Senator PILEGGI. Mr. President, I request a legislative leave for Senator Piccola.

The PRESIDENT. Senator Pileggi requests a legislative leave for Senator Piccola. Without objection, the leave will be granted.

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 PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator Gordner.

Senator GORDNER. Mr. President, one of the reasons that I have great pride to be part of this legislative body is that we decide to find solutions to problems. We have any number of issues out there anytime, any issue, any amount of problems, but we need to find solutions. This is one of those largely unspoken big issues out there that needs to be solved.

We have a \$3-plus billion debt to the Federal UC Trust Fund that affects all businesses. It affects small employers, mid-size employers, and large employers. And if we do nothing, this will have a huge effect on employers and on jobs for the coming years. If we are taking more money and sending it to Washington to pay interest and to pay for loss of tax credits, that is money that is coming out of Pennsylvania employers and businesses that otherwise could be going toward creation of jobs. So, that is ultimately what this bill ends up doing, and it does it in a creative way.

Right now, the Federal government is charging our UC Trust Fund over 4 percent interest on the \$3 billion or so that we have borrowed. In addition, there is a FUTA tax credit that kicks in in January that is going to cost Pennsylvania businesses \$110 million a year. The following year, it is going to cost Pennsylvania businesses \$220 million a year. In year three, it is \$330 million, and so on and so on. In year five, \$550 million if we do nothing today or in the next month. That is not what this Senate is about. That is not what we should be about. We should be finding a solution to a problem, and that is what Senate Bill No. 1310 does.

It bonds this issue, it pays off the debt, it takes care of us no longer paying interest, and it stops the FUTA tax credit, and not only being revenue neutral, according to national and international financial institutions, four of whom have told us it will save between \$150 million and \$200 million for our Pennsylvania employers - small employers, middle-size employers, and large employers. That is a significant savings, \$150 million to \$200 million in savings that can go to jobs. To go to jobs, that is what we want to do, and that is what this bill will do.

It also provides an amnesty program, and there has been a little discussion about this. Those of us who have been around for a while know that we have twice in the last 15 years done a tax amnesty program. We did it under Governor Ridge, and we did it just a few years ago under Governor Rendell. In both of these instances, in both cases, the tax amnesty program was far more successful than it was anticipated to be, most importantly, not only in bringing in dollars to our State treasury, it put people on the tax rolls. That is exactly what this UC amnesty program is intended to do as well.

First of all, it is expected to bring in around \$17 million to our UC Trust Fund, but more importantly, it hopefully will put employers on the UC tax rolls that should be there. There is nothing more frustrating to a union business or a nonunion business than to be competing with another business that is not paying all the taxes, paying all the fees, doing all the things that they should be doing. And if they are not paying UC funds, they need to be. They should be. That is what the other purpose of this bill is, to generate some money and also get these people on the tax rolls.

I am excited about this proposal. I am excited about what it means for jobs, for solving a problem. There are two individuals who have spent a tremendous amount of time on this, staff folks, and I would like to thank my counsel, Josh Funk, and the counsel from the Majority Leader's office, Kathy Eakin, who have really delved into a very difficult issue and put it into a form that is going to make it work. I urge all Members of the Senate to support Senate Bill No. 1310.

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

Senator TARTAGLIONE. Mr. President, as I mentioned to my colleague from Columbia County, our side of the aisle had a great deal of difficulty receiving necessary data from the Department of Labor and Industry, so much so that a call had to be placed to the Secretary herself to express these concerns. While this conversation did finally produce information, our timing on reviewing the information was severely limited.

If this legislation is designed to assist businesses with Federal debt incurred by borrowing from the Federal government to pay UC expenses, I am glad to be able to assist. However, this bill does a lot more than that, and there is nothing to address the solvency of the trust fund. It seems, while intentional or not, it hurts claimants. Had we had more time, we could have addressed these additional concerns through the amendment process.

Specifically, the change the most recent amendment made to Section 301.7 will have an effect of keeping the trust fund solvency percentage to zero, because the outstanding bond indebtedness will be subtracted from the balance in the trust fund before the solvency percentage is calculated each July 1. Without this new language, as the trust fund balance gradually improves over a period of years, assuming we do not have another recession, the additional solvency tax rate would gradually trigger down to lower rates and, theoretically, could trigger altogether eventually. Instead, with this new language, employers receive the benefit of lower taxes because the debt service tax is lower than the additional Federal tax they would have to repay on Federal loans. But employees will not see their taxes go down because the solvency percentage is artificially kept at zero, meaning that the solvency measures, including the employee tax, remain in effect at their highest levels. Once the Federal loans are repaid, the only remaining debt is the bond obligation, which is not a debt of the UC Trust Fund, and therefore, not a debt for employees.

Under Section 1404(C) of the bill, the bonds are secured by an interest tax, which is paid only by employers and is deposited in the debt service fund, not the trust fund. Section 1406(C) permits the use of the trust fund money to make up a deficiency in the debt service fund, but the trust fund is not obligated on the bonds. Therefore, the bond debt should not be deducted from the trust fund balance in calculating the solvency percentage.

Mr. President, due to this and other concerns, I respectfully ask for a negative vote on this legislation.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I think we just need to kind of reduce this conversation to its simplest perspective. First and foremost, Mr. President, I do not think there is any Member on this side, or probably in the entire Chamber, who is opposed to the concept of the financing. We believe that works, we believe that is the right direction, and we know that many States are

picking up this option and opportunity. We believe it is appropriate while we try to find a broader fix. This is all part of a national conversation. Other States are entering into the same program of dealing with the refinancing. If we would just stop at the refinancing, we would not be having this conversation right now. It would be 5:25 p.m., and we would be on to the Marcellus Shale. We would be finishing the rest of the dialogue that we have scheduled for this evening, if we would just stop the conversation at refinancing.

The other aspects of this legislation really, I think, present an overreach. What they most accurately represent, Mr. President, is an imbalance that exists in the legislation. It is an imbalanced direction in which we are going. This bill will reduce employer contributions by an estimated \$1.3 billion through 2018. I think Senator Tartaglione talked about this. Meanwhile, employees will continue to be charged the maximum penalty payment. So, the corporate side, our corporate friends, will get a reduction by \$1.3 billion through 2018, while the employees, the workers, the workforce, will still be charged with maximum penalty payments. That is an imbalance. If we had just stuck to the refinancing, we would not have to address this imbalance. Employers will be asked to make no payment to address the current insolvency in our Unemployment Compensation Trust Fund, no payments at all. We like the financing, we think it is an appropriate direction, using a tool that is available to us. We think it is the right direction. But the rest of what is embodied in this legislation is an overreach, and it disadvantages the average working Pennsylvania citizen.

So that is why I stand with Senator Tartaglione and the rest of my colleagues in encouraging and saying this is the wrong direction, this is an imbalance, not favoring the average working person, while it advantages the corporate community, who still has not stepped up to resolve this problem. We like the refinancing, but we think this is an imbalanced solution to this very important issue.

Thank you, Mr. President.

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-33

Alloway	Eichelberger	Piccola	Vogel
Argall	Erickson	Pileggi	Ward
Baker	Ferlo	Pippy	Waugh
Blake	Folmer	Rafferty	White Donald
Boscola	Gordner	Robbins	White Mary Jo
Browne	Greenleaf	Scarnati	Yaw
Brubaker	McIlhinney	Smucker	
Corman	Mensch	Tomlinson	
Earl	Orie	Vance	

NAY-16

Brewster	Fontana	Leach	Tartaglione
Costa	Hughes	Schwank	Washington
Dinniman	Kasunic	Solobay	Williams
Farnese	Kitchen	Stack	Wozniak

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.

PERMISSION TO ADDRESS

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

Senator COSTA. Mr. President, before we go on with the rest of the Calendar, I would like to take a moment to share with my colleagues an important announcement, a bit of good news.

Mr. President, earlier today, our Senate family grew by one. Grace Isabella Yudichak, the proud daughter of Senator Yudichak, our friend, more importantly, our colleague, another Democrat, came into this world earlier today at 1:45 p.m. Mom is doing exceptionally well. So we want to do a shout-out to John and Heather, and also recognize that Sarah, Anna, and Evelyn now have a new baby sister who will be brought home. John is now one daughter short of a women's basketball team. At the end of the day, we are proud of their accomplishment, of course, and we want to make certain that Heather does well and continues to do well. We extend our congratulations to Senator Yudichak, Heather Yudichak, and the Yudichak family for today's announcement.

Thank you, Mr. President.

(Applause.)

CONSIDERATION OF CALENDAR RESUMED

SECOND CONSIDERATION CALENDAR

BILLS OVER IN ORDER

SB 152, HB 170, SB 338, HB 398, SB 413, SB 433, SB 477 and SB 532 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION

SB 539 (Pr. No. 545) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in driving after imbibing alcohol or utilizing drugs, further providing for grading and for penalties.

Considered the second time and agreed to,

Ordered, To be printed on the Calendar for third consideration.

BILLS OVER IN ORDER

HB 584, HB 608, SB 746, SB 775, HB 860, SB 866, HB 869, SB 878, SB 1004, SB 1019, SB 1049 and SB 1066 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILL REREFERRED

SB 1069 (Pr. No. 1689) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for the registration and regulation of professional employer organizations and for powers and duties of the Department of State; and imposing penalties.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILL OVER IN ORDER

SB 1092 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION

SB 1099 (Pr. No. 1690) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of January 17, 1968 (P.L.11, No.5), known as The Minimum Wage Act of 1968, further providing for minimum wages.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILLS OVER IN ORDER

SB 1141, SB 1150 and SB 1174 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILLS REREFERRED

SB 1179 (Pr. No. 1682) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for speed timing devices.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

SB 1200 (Pr. No. 1713) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 62 (Procurement) of the Pennsylvania Consolidated Statutes, further providing for sole source procurement and for emergency procurement.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILL OVER IN ORDER

HB 1203 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILLS ON SECOND CONSIDERATION

SB 1264 (Pr. No. 1779) -- The Senate proceeded to consideration of the bill, entitled:

An Act establishing the Supplemental Individual Assistance Program; and making an appropriation to the Governor for grants to individuals suffering losses because of Hurricane Irene and Tropical Storm Lee and for payment of the Commonwealth's share to secure individual assistance from the Federal Government.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

SB 1266 (Pr. No. 1773) -- The Senate proceeded to consideration of the bill, entitled:

An Act implementing the provisions of clause (1) of subsection (a) of section 7 of Article VIII of the Constitution of the Commonwealth of Pennsylvania authorizing the incurring of debt for the rehabilitation of areas affected by Hurricane Irene and Tropical Storm Lee; imposing duties upon the Governor, the Auditor General and the State Treasurer; prescribing the procedures for the issuance, sale and payment of general obligations bonds, the funding of debt and refunding of bonds; exempting said bonds from State and local taxation; creating certain funds; providing for allocation of proceeds; and making appropriations.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

SB 1267 (Pr. No. 1722) -- The Senate proceeded to consideration of the bill, entitled:

An Act authorizing abatement of real estate taxes because of destruction or damage of property by Hurricane Irene or Tropical Storm Lee, or the refund of the amount of such taxes by certain political subdivisions; and authorizing assessment of properties retroactive to August 1, 2011, and a limited moratorium on the increase of certain real estate taxes.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILLS ON SECOND CONSIDERATION, AMENDED

SB 1268 (Pr. No. 1774) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for the highway capital budget project itemization for flood-damaged highways to be financed from debt incurred under clause (1) or (4) of subsection (a) of section 7 of Article VIII of the Constitution of Pennsylvania.

On the question,

Will the Senate agree to the bill on second consideration?

Senator GORDNER offered the following amendment No. A6395:

Amend Bill, page 2, line 14, by striking out "\$75,000,000" and inserting:

\$74,066,000

Amend Bill, page 2, line 19, by inserting after "(1)":
or (4)

On the question,

Will the Senate agree to the amendment?

It was agreed to.

On the question,

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

It was agreed to.

Ordered, To be printed on the Calendar for third consideration.

SB 1269 (Pr. No. 1775) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for the adoption of capital projects related to the repair, rehabilitation or replacement of highway bridges and for disaster assistance projects to be financed from debt incurred under clause (1) or (4) of subsection (a) of section 7 of Article VIII of the Constitution of Pennsylvania.

On the question,

Will the Senate agree to the bill on second consideration?

Senator GORDNER offered the following amendment No. A6397:

Amend Bill, page 2, line 19, by inserting after "(1)":

OR (4)

Amend Bill, page 2, line 20, by striking out "\$10,000,000" and inserting:

\$8,901,000

Amend Bill, page 8, line 12, by striking out "\$2,000,000" and inserting:

\$1,000,000

Amend Bill, page 8, line 13, by striking out "mitigation or"

Amend Bill, page 8, line 15, by striking out "mitigation or"

Amend Bill, page 8, line 19, by striking out "\$2,000,000" and inserting:

\$1,000,000

On the question,

Will the Senate agree to the amendment?

It was agreed to.

On the question,

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

It was agreed to.

Ordered, To be printed on the Calendar for third consideration.

SB 1271 (Pr. No. 1776) -- The Senate proceeded to consideration of the bill, entitled:

An Act itemizing public improvement projects for flood protection and flood damage repair to be constructed by the Department of General Services, together with their estimated financial costs; stating the estimated useful life of the projects; providing for the adoption of specific disaster mitigation or assistance projects to be financed from debt incurred under clause (1) or (4) of subsection (a) of section 7 of Article VIII of the Constitution of Pennsylvania; and making an appropriation.

On the question,

Will the Senate agree to the bill on second consideration?

Senator GORDNER offered the following amendment No. A6398:

Amend Bill, page 1, line 5, by striking out "making an appropriation; and"

Amend Bill, page 1, line 9, by inserting after "Pennsylvania":

; and making an appropriation

Amend Bill, page 1, by inserting between lines 16 and 17:

Section 102. Definitions.

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

"Capital project." A capital project as defined in section 302 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

"Department." The Department of Environmental Protection of the Commonwealth.

"Disaster." The period of time in calendar year 2011 relating to Hurricane Irene and Tropical Storm Lee that was the subject of a Presidential declaration of an emergency under The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288, 88 Stat. 143).

"Secretary." The Secretary of Environmental Protection of the Commonwealth.

Amend Bill, page 2, lines 3 through 13, by striking out all of said lines

Amend Bill, page 2, line 21, by striking out "\$90,000,000" and inserting:

\$49,069,000

Amend Bill, page 5, line 10, by striking out "also"

Amend Bill, page 5, lines 28 through 30; page 6, lines 1 through 6, by striking out all of said lines on said pages

Amend Bill, page 6, line 7, by striking out "503" and inserting:

502

Amend Bill, page 6, line 14, by striking out "504" and inserting:

503

Amend Bill, page 6, line 15, by striking out "\$8,000,000" and inserting:

\$16,107,500

Amend Bill, page 6, line 17, by striking out "504" and inserting:

503

Amend Bill, page 6, line 23, by striking out "505" and inserting:

504

Amend Bill, page 7, line 3, by striking out all of said line and inserting:

Section 505. Dauphin County.

Amend Bill, page 7, line 9, by striking out all of said line and inserting:

Section 506. Luzerne County.

Amend Bill, page 7, line 23, by striking out all of said line and inserting:

Section 507. Northumberland County.

Amend Bill, page 8, line 21, by striking out "also"

On the question,

Will the Senate agree to the amendment?

It was agreed to.

On the question,

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

It was agreed to.

Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 1279 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION, AMENDED

SB 1297 (Pr. No. 1781) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for a Small Business Flood Relief Program; making an appropriation; and providing for termination of the program.

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

Senator BAKER offered the following amendment No. A6383:

Amend Bill, page 4, by inserting between lines 20 and 21:
(5) Loan repayments shall be deposited in the General Fund.

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

On the question,
Will the Senate agree to the bill on second consideration, as amended?
It was agreed to.

Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 1321 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION

SB 1323 (Pr. No. 1783) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 3 (Agriculture) and 64 (Public Authorities and Quasi-Public Corporations) of the Pennsylvania Consolidated Statutes, providing for the Agriculture Disaster Recovery Program; further providing for First Industries Program; and making an appropriation.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILLS OVER IN ORDER

HB 1337, HB 1349, HB 1355, HB 1417, HB 1441, HB 1458 and HB 1500 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION

HB 1644 (Pr. No. 2730) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of August 9, 1955 (P.L.323, No.130), known as The County Code, in contracts, further providing for applicability, for the abolishment of the office of jury commissioner and for sales of personal property and surplus farm products.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

HB 1792 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON SECOND CONSIDERATION

HB 1875 (Pr. No. 2437) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the bridge that carries State Route 462 over the Norfolk Southern rail line in the Borough of Mountville, Lancaster County, as the Mountville Veterans Memorial Bridge.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

SENATE RESOLUTION No. 202, ADOPTED

Senator PILEGGI, without objection, called up from page 10 of the Calendar, **Senate Resolution No. 202**, entitled:

A Resolution urging the oil and gas industry to utilize acid mine water in fracturing Marcellus Shale for natural gas extraction, whenever economically feasible and environmentally safe.

On the question,
Will the Senate adopt the resolution?
A voice vote having been taken, the question was determined in the affirmative.

RECESS

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

Senator PILEGGI. Mr. President, I request a very brief recess of the Senate for the purpose of a Republican caucus to be held at the Majority Leader's desk.

The PRESIDENT. For the purpose of a Republican caucus, without objection, the Senate stands in recess.

AFTER RECESS

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

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR RESUMED

SB 1100 CALLED UP

SB 1100 (Pr. No. 1777) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 2 of the Third Consideration Calendar, by Senator PILEGGI.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 1100 (Pr. No. 1777) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated Statutes, consolidating the Oil and Gas Act with modifications relating to definitions, well permits, well location restrictions, protection of water supplies, well reporting requirements, bonding, enforcement orders, penalties, civil penalties and local ordinances; providing for containment, for transportation regulations, for emergency response information, for notification to public drinking water systems, for corrosion control requirements, for gathering lines and for model ordinance; providing for a model zoning ordinance; and making a related repeal.

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

HUGHES AMENDMENT A6380 OFFERED

Senator HUGHES offered the following amendment No. A6380:

Amend Bill, page 22, line 22, by striking out "AS FOLLOWS:" and inserting:

For 2011, the commission shall transfer the first \$2,500,000 of the funds to the Department of Public Welfare for deposit into the Emergency Energy Assistance Fund. For 2012 and each year thereafter, the commission shall transfer the first \$5,000,000 of the funds to the Emergency Energy Assistance Fund. The remaining funds shall be distributed as follows:

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

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, this amendment does something that is really very simple. It is not complicated, and it is focused solely and directly at trying to assist low-income individuals who are trying to maintain their heating bill. It is especially relevant at this time of the year when, as we all know, it is getting a little bit colder and we are all turning up the thermostat of our home heaters, and those bills are going to increase dramatically.

Pennsylvania has somewhat of a history in supporting LIHEAP. I remember several years ago working with my friend and colleague, Senator Corman—I think at that time we were both Majority and Minority chairs of the Committee on Public Health and Welfare—when we worked on the issue of trying to drive State dollars toward LIHEAP, which, of course, is the Low-Income Home Energy Assistance Program. It provides cash assistance directly toward heating bills, not to the homeowner, but directly toward assistance with their energy bills. We all know the way energy costs have skyrocketed over the years. We see no abatement in that process. We see it continuing for several years to come, and what we want with this amendment is to utilize the power of this industry, which is extensive, and try to drive dollars directly to the average homeowner across the Commonwealth for their heating bills. This affects renters, this affects homeowners, and it affects folks who really need assistance in trying to deal with the issue.

With unemployment getting close to 10 percent, with a strain on resources for average working individuals, with the need that clearly is in existence for heating costs, it seems to me that in an industry that is skyrocketing with respect to its profits—which we will talk about a little bit later—that we could provide in year one a small amount of dollars, \$2.5 million in the first year toward

LIHEAP, and in outlying years, the funding will increase to \$5 million. It is a small State contribution to a program that traditionally has been funded by the Federal government, but on occasion, the State has stepped up to provide some assistance. But clearly, in this time of economic crisis, for at least average working Pennsylvania citizens and those individuals who are not working and who need a little bit of help with respect to their heating bills, we can provide a few dollars, not a lot, a small amount of money, to a program that goes a long way.

So, Mr. President, this amendment, as I said earlier, in year one would provide \$2.5 million to LIHEAP, and in the following years, that amount of money would rise to \$5 million annually.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in opposition to this amendment, not to LIHEAP, but to the amendment. LIHEAP is a good program and has been well-funded.

In this period in time when we have historically low natural gas and heating prices, Mr. President, it is not necessary to use impact fee dollars for this program. I am not opposed to the program. Certainly, through the budget process, we have always addressed it when it has been needed, but at this period in time, there is no need for more dollars in LIHEAP, and I oppose the amendment.

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

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

YEA-19

Blake	Farnese	Kitchen	Tartaglione
Boscola	Ferlo	Leach	Washington
Brewster	Fontana	Schwank	Williams
Costa	Hughes	Solobay	Wozniak
Dinniman	Kasunic	Stack	

NAY-30

Alloway	Erickson	Pileggi	Vogel
Argall	Folmer	Pippy	Ward
Baker	Gordner	Rafferty	Waugh
Browne	Greenleaf	Robbins	White Donald
Brubaker	McIlhinney	Scarnati	White Mary Jo
Corman	Mensch	Smucker	Yaw
Earl	Orie	Tomlinson	
Eichelberger	Piccola	Vance	

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?

STACK AMENDMENT A6386 OFFERED

Senator STACK offered the following amendment No. A6386:

Amend Bill, page 78, line 30, by striking out "\$140,000" and inserting:

\$200,000

Amend Bill, page 79, line 2, by striking out "\$140,000" and inserting:

\$200,000

Amend Bill, page 79, line 5, by striking out "\$290,000" and inserting:

\$400,000

Amend Bill, page 79, line 7, by striking out "\$290,000" and inserting:

\$400,000

Amend Bill, page 79, line 10, by striking out "\$430,000" and inserting:

\$600,000

Amend Bill, page 79, line 12, by striking out "\$430,000" and inserting:

\$600,000

Amend Bill, page 79, line 15, by striking out "\$600,000" and inserting:

\$1,000,000

On the question,

Will the Senate agree to the amendment?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Mr. President, I did have an amendment that was going to fund the National Guard Education Assistance Program through the Marcellus Shale impact fee, but I decided not to offer that this evening.

My current amendment is very simple. We have an issue with the amount of damage done to the surrounding roads and areas due to the dramatic work done through drilling in the Marcellus Shale. So, as a course of action, we set up a bonding procedure whereby there is security to the people in these areas so that the damage done to the particular areas of the roads gets fixed and paid for by the folks doing the damage. We currently have a bonding process set up. Mr. President, my proposal is that we increase the maximum bonding requirement from \$600,000 to \$1 million; the second tier of the bonding requirement would increase from \$430,000 to \$600,000; the third level of the bonding requirement would increase from \$290,000 to \$400,000; and the lowest requirement would rise from \$140,000 to \$200,000.

This, of course, Mr. President, is certainly not a huge increase when you are talking about the amount of money these companies are making off the backs of Pennsylvanians. The amount of severance tax that is levied in Texas, Wyoming, even West Virginia, will not even come close to Pennsylvania and the amounts that those States are drawing in revenue. Plus, the damage done to our natural resources in the areas that are sustaining this industry is going to be far in excess of what those bond rates are currently.

So, I think it is something we need to increase, and it is an important thing to know, from the nuts and bolts of how this works, the whole revenue stream, and how we bond. The amount of the bond is not what the drillers are putting down. Companies with good credit ratings and strong capital are involved here. These are not mom-and-pop businesses that are going to put themselves out of business by putting up the money. If they want to secure a bond, they only need to secure 3 to 5 percent of the face value of the bond. So, for example, for a \$600,000 bond on more than 150 wells, it would cost them \$30,000 in actual cash, or \$200 per well.

So, in my opinion, Mr. President, you are not blocking this industry, you are not even providing any kind of real slow-down at all. It just makes good sense, and I would hope that all the

Members, Democratic and Republican, support this very simple, commonsense increase in the bond level.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in opposition to this amendment. I need to point out that bonding of the wells was a very important and crucial issue throughout the negotiations in this bill. We have taken that bonding limit from a \$25,000 bond to a \$600,000 bond on the wells. That is a significant, significant increase and change from where we were. Mr. President, this is even higher than what the Marcellus Shale Commission recommended. So, this is going above and beyond even the recommendations from the environmental community, from those who are involved with drilling, and the communities. This input was sought, and we have gone above and beyond.

If we continue to try to increase these costs on the industry just to be punitive, we are going to see a diminishing rate of return of investment here in Pennsylvania. Is this not about jobs? That is what I thought it was about. It is about jobs. So I urge a negative vote on this amendment.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Mr. President, I know what you are up to with this microphone.

The PRESIDENT. Not at all. We are having just a wee bit of difficulty this evening, Senator.

Senator STACK. Mr. President, I apologize. It is getting late, it is a very important issue, and I understand.

The PRESIDENT. You will be heard, sir.

Senator STACK. Mr. President, as to my friend and colleague on the floor, I certainly have great respect for him, he is my friend, and I am listening to what he says, but the recommendations that the commission has made, I think it is well-established that the Governor has a dramatically different view than perhaps most of the people in Pennsylvania on this particular issue. As far as the commission, it is far from an objective source on what is required for bonding. I brought these bonding issues up because many, many environmental groups have told us that the amount of damage to the environment is going to far exceed the bond levels.

As I said, once again, with all due deference and respect to my friend and colleague, the President pro tempore, these bonds do not cost huge amounts of money, and all they do is protect the community and our resources that are damaged by the work that this industry does. By the way, this industry is made up of such companies as Exxon, Chevron, and other big multigazillion-dollar companies. So, I think to make them put a little money down for the people of Pennsylvania is not unreasonable, and I am sure that they would be happy to keep drilling, no matter the bond level.

Thank you, Mr. President.

And the question recurring,

Will the Senate agree to the amendment?

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

YEA-20

Alloway	Dinniman	Kasunic	Stack
Blake	Farnese	Kitchen	Tartaglione
Boscola	Ferlo	Leach	Washington
Brewster	Fontana	Schwank	Williams
Costa	Hughes	Solobay	Wozniak

NAY-29

Argall	Folmer	Pippy	Ward
Baker	Gordner	Rafferty	Waugh
Browne	Greenleaf	Robbins	White Donald
Brubaker	McIlhinney	Scarnati	White Mary Jo
Corman	Mensch	Smucker	Yaw
Earl	Orie	Tomlinson	
Eichelberger	Piccola	Vance	
Erickson	Pileggi	Vogel	

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?

FERLO AMENDMENT A6387 OFFERED

Senator FERLO offered the following amendment No. A6387:

Amend Bill, page 2, line 5, by striking out "33. LOCAL ORDINANCES RELATING TO OIL AND GAS OPERATIONS"

Amend Bill, page 129, lines 20 and 21, by striking out "THAT ARE INCONSISTENT WITH THIS" in line 20 and "PART" in line 21 and inserting:

on the method of oil and gas well operations regulated by this chapter or attempt to accomplish the purposes of this chapter. Nothing in this chapter shall affect the traditional power of local government to regulate zoning and land development of oil and gas activities as well as other aspects such as the time and the place of operations to protect the health, safety and welfare of the general public through local ordinances and enactments

Amend Bill, page 135, lines 5 through 30; pages 136 through 143, lines 1 through 30; page 144, lines 1 through 14, by striking out all of said lines on said pages

Amend Bill, page 148, lines 1 and 2, by striking out all of line 1 and "(II)" in line 2 and inserting:

(I)

Amend Bill, page 148, line 3, by striking out "(III)" and inserting:

(ii)

Amend Bill, page 148, line 4, by striking out "(IV)" and inserting:

(iii)

Amend Bill, page 148, lines 5 through 7, by striking out all of lines 5 and 6 and "(2.1)" in line 7 and inserting:

(2)

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

The PRESIDENT. The Senate will be at ease.
(The Senate was at ease.)

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

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

Senator FERLO. Mr. President, I am very pleased to know that this amendment, which is just about eight little lines of text,

has created such a stir in the Chamber here today, calling for a recess for further review and discussion by my colleagues on the aisle opposite. But these eight lines of text are really fundamental to democracy in this State, which is being threatened today with the passage of this legislation.

For many decades, we have had the privilege and the responsibility at the local level for our own manifest destiny, our own right to control property and its uses within all the jurisdictions of the Commonwealth under the Pennsylvania Municipalities Planning Code. The amendment would suggest that we need to strike out the attempt that is being expressed in this bill upon final passage, that would run roughshod over the rights of local elected officialdom throughout the Commonwealth, whether they have a municipal zoning code or not. I think there is going to be a political groundswell that will reach into future elections in the House and the Senate, and even in the Attorney General's race and other statewide races that are coming up. People are going to have to take a stand here today on whether or not they believe in protecting people's democratic rights in where they want to live, how they want to live, and in what type of communities they want to reside.

This bill would clearly refute any notion of a model ordinance, which was really the industry's first agenda. This bill, rather, takes a backward step and proposes a so-called acre proposal. It really does fundamentally strip away the rights of local municipalities to have, in their zoning code, appropriate limitations on drilling in their respective municipalities.

There was a Supreme Court decision a few years ago, I think maybe in my second or third year here, involving one of my communities, Oakmont Borough. In that case, the local gas drilling company, Huntley & Huntley, Inc., to which I believe the case is referred, lost because they were arguing that they had a right to drill in an R-1 residential district because the local ordinance was ambiguous. They took it all the way to the Supreme Court, and the Supreme Court rightfully, thank God, and morally, thank God, made it very clear that the Oil and Gas Act notwithstanding, local communities do indeed have a right to protect their private property through the language and the provisions of the Pennsylvania Municipalities Planning Code. And in that case they ruled that the community of Oakmont could, indeed, go back and legislate and deny drilling in certain neighborhoods. We know already, notwithstanding the city of Pittsburgh's ordinance which has a ban on drilling completely in the city of Pittsburgh, I believe, even though I support that legislation, that legally--and I support it morally--but legally, on its face is probably not going to be allowed. It would probably prima facie, as far as writing and rendering, be considered unconstitutional.

There is, however, a legal theory, which I do not think has really been tested -- I do not know that this majority Republican Supreme Court would be sympathetic, but the fact of the matter is, the Declaration of Rights enumerated in our Pennsylvania State Constitution, I do not know if they have ever really been legally tested and clarified by court action. And I am talking about the sections that are the rights to Pennsylvania's clean air, water, the aesthetic appreciative values of our Commonwealth. So, one could go off on a tangent and raise some legal arguments about that. As this battle involving the Marcellus Shale, indiscriminate, inappropriate, and environmentally unfriendly drilling happens, I think we will see a Whiskey Rebellion out there across the State.

I am very upset that this legislation -- let us be honest, the bankers, the accountants, and the political action donors who have given millions of dollars to this Governor and to those in political leadership in the House and the Senate could not have asked for a better piece of legislation as it is written, and, unfortunately, is likely to be passed here today. But, could we at least do one thing and protect people's property rights, and protect the democratic rights that citizens have through the augmentation of the Pennsylvania Municipalities Planning Code?

It is clear that no matter what the community is, if they have a zoning code, they must allow some level of drilling activity. They may choose not to have it in a residential district, or in a local neighborhood commercial district, or in a school zone. They may apply a conditional use standard for that provision. They may apply a use by right standard. They cannot outright ban the use or the activity in that district, no more than as the Supreme Court has ruled in the past, that they can deny the construction of a prison.

In the city of Pittsburgh, we cannot write a zoning code amendment that says we are not going to allow the construction of any prison. That has been long-held case law. Why are we taking this step backward? We need to remove the sections in this bill as drafted that really curtail, hamper, and deny the democratic rights of individuals as it relates to local zoning powers.

I am infuriated at the power, persuasion, and the political influence of the Marcellus Shale industry roundtable and coalition, who could not have written a better bill. This bill is weak environmentally, it is a setback, this bill is weak on the issue of the Constitution and local zoning powers, it is weak on the fact that we have a piddly amount of revenue that we are raising. We are the laughingstock of the world, we are the laughingstock of every other State that is sitting on this bonanza, and I am sick and tired of hearing about all of this clean natural gas lowering the rates. The fact of the matter is, those several hundred companies that came into our Commonwealth that started this industry are whittling down to be the big, top five or six international conglomerate oil companies. And I just have several obligations and I will--

POINT OF ORDER

The PRESIDENT pro tempore. Mr. President, point of order.

The PRESIDENT. The gentleman will suspend.

State your point of order.

The PRESIDENT pro tempore. Mr. President, the gentleman is not addressing the amendment, he is addressing the bill. We are debating an amendment.

Thank you, Mr. President.

The PRESIDENT. Senator, the point is well taken.

Senator, if you could confine yourself to the amendment.

Senator FERLO. Absolutely, Mr. President.

The amendment clearly is to make sure that we hold sacrosanct the democratic rights and property rights of local municipal elected officials, democratically-elected by those in that jurisdiction to rule the roost when it comes to deciding where and in what manner drilling will take place in their host community.

The Oil and Gas Act assures that drilling will take place, but to the extent about where it will, how it will be authorized, and what zones. I mean, we are basically putting a large steel factory, a manufacturing plant, in upwards of 10,000 to 20,000 to 30,000

locales in more than 45 counties. If we applied the same principle to local zoning communities, we would not expect a steel plant to be located in Mount Lebanon without Mount Lebanon having at least a democratic right to decide where or in what manner that plant or manufacturing would be situated, the hours of operation, all the detrimental impact issues that, typically, would be debated by local elected officials.

This is an outrageous piece of legislation. It is Draconian, it is violative of people's rights, and I ask, respectively, for support for restoring the rights of individuals for local zoning powers. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in opposition to the gentleman's amendment. I respect the gentleman's emotion, I respect the gentleman's interest in local government, but the gentleman is confusing an issue. His amendment strips out language that is in this bill that, first off, has been agreed to by the township supervisors, the boroughs, the county commissioners, the League of Cities, and others. They have agreed to this language. They feel this represents a balance, a true balance, Mr. President, of a very difficult issue. And what his language does--I heard him speak about the people in Mt. Lebanon who would not want a steel plant there. They would not want a steel plant. But if he takes this language out, the people of Mt. Lebanon might get a compressor station. They might even get a processing plant for natural gas, because in this language, it prohibits that in a residential area, strictly prohibits it, Mr. President.

So do we really want to turn back the clock? Take a fine compromise to which nobody is opposed. I have a letter here signed by all these local organizations. I used to be a borough councilman. The gentleman used to be involved in city government. And the language in this bill still gives everybody the opportunity to make decisions on a local level, and it has a component to it that will keep these townships and boroughs out of frivolous lawsuits and high legal costs with a process that allows the Attorney General's office to call balls and strikes on whether or not zoning that has been passed is legal.

I do not know who in this room does not support a compromise, and who in this room does not support jobs. We have struck a balance. I have worked, as many of you in this Chamber have worked, for over 2 years to bring about a compromise. The gentleman's amendment strips out the compromise, and it does dangerous things for the development of compressor stations and processing plants in residential areas. So I urge a "no" vote on the amendment. Thank you.

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

Senator FERLO. Mr. President, I will not stand here and accuse my colleague of snake oil medicine, but the fact of the matter is, support for my amendment totally restores the rights of local jurisdictions, and local jurisdictions that do not want compressors will not have them. There is a backward argument being presented here that is nonsensical. I do not know where these mysterious letters from organizations came from, but the fact of the matter is, there is a groundswell of opposition, where citizens want the right to continue to enact intelligent local zoning as it relates to the burgeoning industry that is developed here in this State.

I will point out that a few years ago I did introduce moratorium legislation. The intent of that bill was to allow local communities the opportunity to sit and reflect in order to hire consultants and go through the process of figuring out how they needed to amend their zoning codes. I am not sure about some of the rural communities who, indeed, do not have a zoning code in place. Some of them may have expressed support for this bill because they are happy to point the finger to the State legislature and say, well, it is that darn State legislature that passed this, our hands are tied. We have to do whatever it wants. But, for many jurisdictions that have municipal codes, regardless of whether they are a borough, township, or city, regardless of what class or what size, they want to preserve and protect their zoning amendments.

Many of these communities across the State, for the last couple of years, have spent hundreds of thousands of dollars and hundreds of thousands of people hours volunteering to rewrite their zoning codes. They have oftentimes been contentious and divisions have existed, but they have worked through it. That is the intent of our Constitution. That is the intent of the Municipalities Planning Code. So, respectfully, I disagree with my colleague, and ask for support for the amendment.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Williams.

Senator WILLIAMS. Mr. President, I ask that the sponsor of the amendment stand for brief interrogation.

The PRESIDENT. The sponsor of the amendment?

Senator WILLIAMS. Mr. President, not the amendment, but the question on the floor regarding zoning, I would like to interrogate the maker of the bill.

The PRESIDENT. The question is, will the maker of the bill stand for interrogation? The gentleman indicates that he will.

POINT OF ORDER

The PRESIDENT pro tempore. Point of order, Mr. President.

The PRESIDENT. The gentleman will state his point.

The PRESIDENT pro tempore. Mr. President, we are debating an amendment, not the bill. I have no problem standing for interrogation on the bill, Mr. President, but we are on an amendment.

The PRESIDENT. It is the Chair's ruling that as long as the gentleman reserves his questions to the amendment in asking questions of the author of the bill, it is appropriate to proceed.

Senator WILLIAMS. Mr. President, to provide clarity, the question will be about the amendment. I could ask the author of the amendment, but he would not have the answer. And since the maker responded to the amendment, I can only ask him.

The PRESIDENT pro tempore. I will be more than glad, Mr. President, to respond to the question.

The PRESIDENT. Let us see how this goes. Senator Williams, your question, sir.

Senator WILLIAMS. Mr. President, it seems I am standing between a family food fight. I am not really, I just want to ask a question. My energy level is a lot less than it was prior. The question I have is, there are sections of Pennsylvania which will not have drilling, they will have pipelines, and zoning is imperative and important to those of us who will have those pipelines beneath them, potentially, Philadelphia County being one, Dela-

ware County being another one. Does the bill or the language relating to local regulation, is that affected in any way?

The PRESIDENT pro tempore. Mr. President, if the gentleman is asking about the zoning component--

Senator WILLIAMS. I am, Mr. President.

The PRESIDENT pro tempore. Mr. President, the zoning component of the bill does not respond to pipelines.

Senator WILLIAMS. Mr. President, so I could be comfortable that decisions that my counties would make regarding the pipelines still fall within their control when it comes to local zoning considerations?

The PRESIDENT pro tempore. Mr. President, if I can answer that question, we have bills in the Senate that are addressing pipeline safety and pipeline issues. The amendment for zoning in this is strictly an amendment for drilling, not for pipelines.

Senator WILLIAMS. Okay, thank you, Mr. President.

And the question recurring,

Will the Senate agree to the amendment?

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

YEA-22

Baker	Farnese	Leach	Tartaglione
Blake	Ferlo	Orie	Vance
Boscola	Fontana	Pippy	Washington
Brewster	Hughes	Rafferty	Williams
Costa	Kasunic	Schwank	
Dinniman	Kitchen	Stack	

NAY-27

Alloway	Erickson	Pileggi	Ward
Argall	Folmer	Robbins	Waugh
Browne	Gordner	Scarnati	White Donald
Brubaker	Greenleaf	Smucker	White Mary Jo
Corman	McIlhinney	Solobay	Wozniak
Earl	Mensch	Tomlinson	Yaw
Eichelberger	Piccola	Vogel	

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?

HUGHES AMENDMENT A6416 OFFERED

Senator HUGHES offered the following amendment No. A6416:

Amend Bill, page 22, line 23, by striking out "TWENTY-FIVE" and inserting:

Forty-five

Amend Bill, page 23, lines 9 through 30; page 24, lines 1 through 15, by striking out all of said lines on page 23, all of lines 1 through 14 and "BE DISTRIBUTED TO THE H2O PA PROGRAM TO BE USED BY THE" in line 15 on page 24 and inserting:

(vii) Water and sewer projects under the H2O PA program. Funds shall be used by the

Amend Bill, page 24, lines 22 and 23, by striking out all of said lines and inserting:

(2) Fifty percent to the Environmental Stewardship Fund. for the planning, acquisition,

Amend Bill, page 24, lines 27 through 30; page 25, lines 1 through 13, by striking out "FUNDS SHALL BE" in line 27, all of lines 28 through 30 on page 24, all of lines 1 through 12 and "(6)" in line 13 on page 25 and inserting:

(3)

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

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, quite simply, this amendment essentially makes a substantial increase in funding for environmental programs. I do not need to tell the Chair, anyone on this floor, or anyone in the listening audience who is paying attention to what it is we are doing and this important issue we are discussing, the issues of the environment remain extremely crucial with respect to the drilling that is occurring and will most likely expand here in the Commonwealth.

What this amendment tries to do is respond to that reality, and it increases in the language of the bill the percentage that would go to the Commonwealth Financing Authority from 25 percent to 45 percent, removes the funding for bridge projects, removes the 5 percent earmarked for the Hazardous Sites Cleanup Fund, and increases funding for environmental initiatives through the Environmental Stewardship Fund from 15 percent to 50 percent. This is a response to the need that exists in the Growing Greener Program, something that has been extremely successful over the years. The issue of protecting the environment cannot be overlooked, and we must do all that we can financially to support and protect the environment and everything that it means to us.

So, Mr. President, amendment A6416 is an amendment that changes statewide distribution to provide more funding for environmental programs. I ask for a vote in the affirmative. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in opposition to the amendment. The amendment, as well-intended as it is, certainly, we all agree, and something that I have said from the beginning of the debate and the process of working toward a comprehensive plan for the Marcellus Shale is the protection of our environment and protecting our water supplies. We have gone above the Commission's recommendations on many, many of the issues involved in protecting municipal water supplies, residential wells, and our pristine streams and lakes in Pennsylvania. We have gone above and beyond, and I continue to make that a number-one priority.

But what this amendment does is it eliminates funding for HSCF. HSCF, as we know, is the Hazardous Sites Cleanup Fund, which is extremely important to many Members in not only this Chamber, but Members in the House and to the environmental community. We are going to lose a funding stream for HSCF in 3 years. We are going to lose it. And this bill, as it is currently written, provides funding for HSCF up 5 percent in the first year, and 10 percent of the State share in subsequent years. This is significant money, and we need those dollars.

So I do not disagree with the intent of the gentleman's amendment, but the amendment does serious damage to protecting the

environment in another avenue. So I ask for a negative vote on this amendment. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Rafferty.

Senator RAFFERTY. Mr. President, I have been an advocate for Growing Greener in the Senate of Pennsylvania since arriving

9 years ago, and find that the environment is very important for us here in the Commonwealth of Pennsylvania. I could probably support this amendment, except that it is taking funds from the highway/bridge restricted investment fund, a fund that I talked to the maker of the bill about, the gentleman from Jefferson, who was very cooperative with me in making sure that money would be placed in that account for the structurally deficient bridges all throughout the entire Commonwealth. We keep hearing about that amount. We keep hearing it is a growing number. We know that the bond issue that we let is due to run out, so this was a way to make sure there was some money available for the local counties and local municipalities to have to repair those structurally deficient bridges. I do not want to see that money taken out, where a bridge could collapse. I support Growing Greener, but I cannot support taking money out of that fund, so I ask for a negative vote.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I appreciate the work and the comments of my previous colleagues, and I think they are made with great sincerity. There have been some efforts to address, in the larger bill, what it is we need to do with respect to the environment and protecting, especially, all of our love for Growing Greener and the kind of work that has occurred in that important program.

I guess, really, this issue probably goes to the heart of the broader conversation, which will probably be had under my final amendment, which is the money issue. If we had a greater drive in terms of the funding toward the programs that we want funded out of shale, then maybe this conversation would not be occurring right now, and maybe this amendment would not be necessary. But unfortunately, in other areas of this legislation, we are falling far short. Consequently, we feel the need to offer amendment A6416 to drive more funding, more dollars toward environmental protection programs, especially toward Growing Greener.

We know we have an issue with the cleanup fund that has to be addressed. We know that funding may be running out in the next 2 years. But what we have to deal with is an issue that is directly in front of us right now, and that is the reality that exists with respect to the funding potentially coming from the Marcellus Shale, and then come back around and try to fix the Hazardous Sites Cleanup Fund issue, which will be in front of us in the next couple of years.

So, Mr. President, once again, I ask that we support the environment, and when we say we support the environment, that, in fact, we put our money where it should be put. We have an opportunity. This may be the first time and the only time we ever get a chance to, with new funding coming toward the Commonwealth, drive it toward areas important to the entire Commonwealth. This may be our only shot at this, and we need to make a good decision. The State is replete with a history of protecting

its environment, investments in its environment, its park system, and all kinds of things related therein. Here is an opportunity to support that, and amendment A6416 does that.

Thank you, Mr. President.

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

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

YEA-20

Blake	Farnese	Kasunic	Stack
Boscola	Ferlo	Kitchen	Tartaglione
Brewster	Fontana	Leach	Washington
Costa	Greenleaf	Schwank	Williams
Dinniman	Hughes	Solobay	Wozniak

NAY-29

Alloway	Erickson	Pippy	Ward
Argall	Folmer	Rafferty	Waugh
Baker	Gordner	Robbins	White Donald
Browne	McIlhinney	Scarnati	White Mary Jo
Brubaker	Mensch	Smucker	Yaw
Corman	Orie	Tomlinson	
Earl	Piccola	Vance	
Eichelberger	Pileggi	Vogel	

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?

HUGHES AMENDMENT A6375 OFFERED

Senator HUGHES offered the following amendment No. A6375:

Amend Bill, page 5, lines 27 through 30; page 6, lines 1 through 6, by striking out all of said lines on said pages and inserting:

- (1) For the first year of production, the fee shall be \$75,000.
- (2) For the second year of production, the fee shall be \$70,000.
- (3) For the third year of production, the fee shall be \$65,000.
- (4) For the fourth year of production, the fee shall be \$60,000.
- (5) For the fifth year of production, the fee shall be \$55,000.
- (6) For the sixth year of production, the fee shall be \$50,000.
- (7) For the seventh year of production, the fee shall be \$45,000.
- (8) For the eighth year of production, the fee shall be \$40,000.
- (9) For the ninth year of production, the fee shall be \$35,000.
- (10) For the tenth year of production, the fee shall be \$30,000.
- (11) For the eleventh year of production, the fee shall be \$25,000.
- (12) For the twelfth year of production, the fee shall be \$20,000.
- (13) For the thirteenth year of production, the fee shall be \$15,000.
- (14) For the fourteenth year of production and each year thereafter, the fee shall be \$10,000.

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

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, this is probably the big issue of the evening, and this is an issue to which we all should probably be paying close attention. Many folks want to know what we are going to do with the resources of a multibillion-dollar industry.

Mr. President, this is the issue of the fee that we will be extracting, or securing, from this industry for their drilling in the Commonwealth of Pennsylvania. This is the issue. Everyone should be focused on this. Everyone should be paying attention to this, especially those of us in southeastern Pennsylvania, Mr. President, who have no drilling. There is no drilling occurring in southeastern Pennsylvania. It is occurring in the rest of the Commonwealth of Pennsylvania. Here is an opportunity--although there is no drilling, we are extremely impacted by the business, the activities, and the affairs of the rest of the Commonwealth. The drilling that occurs across the Commonwealth of Pennsylvania impacts everyone, and it most assuredly impacts half of Pennsylvania's economy, which exists in southeastern Pennsylvania.

What we are asking for, Mr. President, in this amendment, is after looking at what is in the bill, after looking at what exists, is to increase the base rate fee from \$50,000 to \$75,000 for the first year of production. And then, we have an annual reduction of \$5,000 for over, I believe, a 14-year period. Mr. President, what we can say without any hesitation is that the Republican version, the version that is running right now without this amendment, falls woefully short of the dollars necessary or the dollars available to provide resources and support for all kinds of programs that are directly related to this industry, from protecting the environment, to advancing the end use conversation, to securing communities. The dollars that are secured here in the current version that we are trying to amend fall woefully short.

Just look at the projections. The dollars that were passed out of the Committee on Appropriations that exist currently in the bill only secure \$94 million in 2011. This version, this amendment, in year one for 2011 would secure \$150 million for various programs across the Commonwealth. The dollars secured in the Republican version in year two only secure \$154 million, while our version draws more money out of this process to protect communities and invest in communities all across the Commonwealth of Pennsylvania. It is an appropriate amount of money to assist communities across the Commonwealth to do the things necessary as a result of the emergence of this industry in Pennsylvania.

You have to look at where the current plan exists right now. The Republican plan that exists right now, the plan that passed out of the Committee on Appropriations on the floor right now that we are arguing, is the fifth-lowest program in the country when it comes to drilling, the fifth-lowest program in the nation. It is an abomination. It is ridiculous. In this plan, if you look at the chart, Mr. President, you see that Tennessee gets more money for its drilling than we will in this plan. You see that Louisiana gets more money, that New Mexico gets more money, that North Dakota gets more money, that Colorado, Nevada, Florida, West Virginia, our neighbors, they tax higher than what this plan taxes. These States tax at a higher level than what this program is offering: West Virginia, Alabama, Michigan, Mississippi, Oregon, Wyoming, Oklahoma. We have drillers and workers

from Oklahoma coming to drill in Pennsylvania. It is absurd that we do not get as much money as they get out of Oklahoma or Wisconsin. Texas, the big enchilada. Texas, the Lone Star State. They get more money out of their drilling than we get out of this program right here. Kansas, Montana, California, Alaska -- Alaska, Sarah Palin's State, gets more money out of drilling than we get out of this program that is on the floor right now.

It is an absurdity that we keep the numbers so low. Why is it an absurdity? Why? Look at Aubrey McClendon. Anyone heard of Aubrey McClendon? Aubrey McClendon is the CEO--which one is he? He is the CEO of Chesapeake. Do you know what his take-home pay was in 2010? Aubrey McClendon walked home at the end of the year with an income of \$21 million, Mr. President. That is what our good old buddy Aubrey walked home with. And we cannot get his salary, his income, one company, one CEO--we did not ask what the chief operating officer made. We did not ask what the chief financial officer made. I will bet if you added their salaries together, the CEO, the CFO, the COO, the treasurer, the head secretary, all of those folks, 10 employees of Chesapeake, I will bet you, in this one company, that they made more money than what we get out of this bill right here, this \$94 million. If you add all of their salaries, and that is just one company.

So we have a program right here, Mr. President, the one that is on the floor right now, that taxes at the fifth-lowest level of any State in the nation. And we are supposed to accept that? That is supposed to be fair? That is supposed to be an appropriate level of funding for the rest of us in the Commonwealth? That is supposed to be a fair assessment of the treating of this particular industry? Do we honestly believe that this industry will not drill in Pennsylvania?

Do we honestly -- I had a conversation with my good friend, Senator Williams, about whether this industry would operate in Pennsylvania or not, whether we taxed at a little higher level, and we both agreed it would be incredulous that they would walk away from the mother lode of natural gas that exists here in the Commonwealth. We have the largest deposit of shale in the nation, some would say one of the largest deposits of shale in the world. And that they would walk away just because we want a little bit more money to assist, invest, and protect the rest of the citizens of the Commonwealth of Pennsylvania.

Some will say that the industry cannot afford it. Well, that is laughable, Mr. President. Look at the industry. Look at the largest drillers that are operating right here in the Commonwealth of Pennsylvania. The net profit for Mr. McClendon's company, the net profit for Chesapeake in 2010 was \$1.76 billion. That was its net profit. That was the amount of money that it made out of this.

In fact, folks who live in our communities, especially where there is no drilling, if they see us come home with legislation that says that we are going to let these guys get a pass financially, they are going to send us back here and say, redo that legislation because that dog does not hunt. That does not work. We are not appropriately securing the amount of funding necessary to deal with this industry. But Chesapeake had a net profit of \$1.76 billion. The CEO made \$21 million in 2010, and his take-home salary, what he walked away with, is about a quarter, 25 percent, just one guy's salary is about 25 percent of what this bill would do in 2011.

This is ridiculous. Range Resources, 2010, net profit of \$1 billion. So, you have two companies, Chesapeake, \$1.76 billion

net profit; Range Resources, \$1 billion net profit in 2010. Anadarko had revenues in 2010 of \$3.2 billion. Talisman had an operating profit in the last quarter of \$112 million. This tax, this fee that we are talking about here, Mr. President, is nowhere close to the net operating profit of one quarter of one company, Talisman.

You know, Mr. President, we will be judged at some point in time by these decisions, whether they are worthy decisions, whether they make sense, whether they add up financially. And this conversation about the resources that we get from this industry to protect the rest of the Commonwealth of Pennsylvania is a question that we will be required to answer for years to come. We are stewards of this State. We are not stewards of this industry. We are stewards of this State and its natural resources, and a huge resource that it has is natural gas.

But maybe what we are dealing with here is an industry or a people who support it, who just do not care and who look beyond the natural way, the normal way we do things. What I mean by that is, I am looking at an article that was just released on November 13 of this year in the New York Times, titled "Iraq Criticizes Exxon Mobil for Its Deal With the Kurds." We have an industry here, Mr. President, that has so much money that it bypasses a nation, a government, and goes directly to an individual community. It has so much capacity, billions of dollars, investing \$50 billion to expand drilling in Iraq, that it bypasses this particular community. They have so much money that they do not have to deal with a sovereign state. They can bypass that.

So all we are asking for, Mr. President, is a small increase in the fee that we feel is appropriate for this industry to pay for the right and the privilege to extract natural gas. It takes us from being the fifth-lowest to the seventh-lowest. It is a modest increase. It does not hurt anyone, and it certainly does not hurt this industry, and it certainly will not stop them from drilling in the Commonwealth of Pennsylvania. For anyone to sit here and say that this will stymie the industry from proceeding, believe me, they have a foothold in this Commonwealth, and they are driving forward. They are not going to stop. In fact, what they are doing right now is laughing all the way to the bank because we have not gotten any resources from them for years now.

So, Mr. President, all I can say is that on this amendment, one by which many of us will be judged, in addition to the conversations around the environment, we will be judged on this amendment by what we do to get a balanced and fair return from this industry investing in the rest of the Commonwealth, that we support this amendment to take us from the fifth-lowest to the seventh-lowest, a modest increase given this industry's financial capacity.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in opposition to the gentleman's amendment. He cited a lot of figures, Range Resources and Chesapeake Energy salaries, but I also have some numbers. Pennsylvania unemployment, over 8 percent; U.S. unemployment, over 9 percent. We have an industry that is creating tens of thousands of jobs in this Commonwealth. That is not disputable.

Now, I enjoyed the emotion and the zeal of my colleague, and emotion does play into this equation. But we have to stand back and take a look at where we have been on this issue of a fee and

where we are now. The fee, not too many weeks ago, started off at \$40,000 per well. We have raised that by \$10,000 to \$50,000 per well. We have increased it. We have an effective tax rate based upon this fee and on this industry of 3 percent. We are not the lowest in the country, and we are not the highest, but we are in competition. We are in competition for jobs. I can tell you, and any businessman will tell you, that the more you raise the price or cost of your product, you will have diminishing returns. We have worked diligently to find what I call a sweet spot on revenues. We have extended this fee structure from the original 10 years to 20 years. That was an enormous change in this fee structure. When we look at the distributions, they go into areas that are very necessary in the Commonwealth, and we are able to reach the needs through this level of a fee where it is now.

For those people listening back home, if you are listening, let me tell you how much this fee currently is going to raise, because it is a lot of money. In the first year, a combination of 2010 and 2011, \$120 million. In year two, 2012, a minimum of \$155 million. And why do I say a minimum of \$155 million? Because we have in our fee structure a price factor, which means when the price of gas goes up, the effect of the fee goes up. So, in 2012, the fee is between \$155 million and almost \$200 million. That is a lot of money. That is a lot of money coming into the Commonwealth. And let us not forget that these companies employ people. Let us not forget that these companies that employ people pay payroll taxes, sales taxes, and Capital Stock and Franchise Taxes.

So the fee is reasonable where it is and provides the needed revenues for the needed issues associated with the impacts, and I believe that we can stay right where we are in this bill, so I urge a "no" vote on the gentleman's amendment.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I understand that when we are talking about \$94 million and \$124 million, those are real dollars. That is real money. But it is kind of like, Mr. President, real money, but the conversation and the analysis has to be done in the context of the overall dollars that are going to be made by this industry. This industry is huge, it is significant. These are economic giants, not just here in Pennsylvania, but across the country and across the world. They have the resources necessary, they have the dollars, they are paying more money in 20-some other States than they will be paying here in Pennsylvania. Again, Nebraska through Alaska, Tennessee through California, Louisiana through Montana, all will be paying more money. The State with the largest amount of natural gas will be collecting one of the lowest fees of any State in the nation. The largest amount of natural gas almost in the world will be collecting one of the lowest fees of any entity almost in the world.

This makes no sense. This is not fair. This is not balanced. This is about as fair and balanced as FOX News, Mr. President. All right? This is not equal. This is not supportive. This is not the appropriate resources necessary to allow this industry to operate in this State. We can do better. We should do better. Better is represented in this amendment, which takes us from being the fifth-lowest to the seventh-lowest. We are not gorging the industry with this amendment. It is a modest increase over what is currently in the legislation, and clearly will not stop job activity,

employment activity, and drilling activity from occurring in the Commonwealth of Pennsylvania.

Thank you, Mr. President.

And the question recurring,

Will the Senate agree to the amendment?

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

YEA-24

Blake	Farnese	Kitchen	Stack
Boscola	Ferlo	Leach	Tartaglione
Brewster	Fontana	McIlhinney	Tomlinson
Costa	Greenleaf	Rafferty	Washington
Dinniman	Hughes	Schwank	Williams
Erickson	Kasunic	Solobay	Wozniak

NAY-25

Alloway	Eichelberger	Pippy	Waugh
Argall	Folmer	Robbins	White Donald
Baker	Gordner	Scarnati	White Mary Jo
Browne	Mensch	Smucker	Yaw
Brubaker	Orie	Vance	
Corman	Piccola	Vogel	
Earll	Pileggi	Ward	

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 PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise in support of Senate Bill No. 1100. As we heard much debate tonight on the various amendments and issues, this bill provides a reasonable, balanced approach to the Marcellus Shale industry in Pennsylvania. Researchers with the Marcellus Shale Education and Training Center estimate Marcellus Shale drilling will require between 3,700 to 15,000 direct jobs in central and northern Pennsylvania by 2013, with an additional 8,100 to 13,500 direct jobs in southwestern Pennsylvania by 2014. About 75 percent of those jobs, Mr. President, will be blue-collar work.

The Center for Workforce Information notes in its latest briefing, total jobs in Pennsylvania grew only 1 percent from November 2009 to November 2010, but jobs in the category that include gas drilling grew a whopping 14 percent in that timeframe. The Department of Revenue analysis shows that companies engaged in related natural gas industry activities in Pennsylvania paid more than \$1.1 billion in State taxes since 2006. Those taxes came on top of billions of dollars of infrastructure investments, royalty payments, and permit fees through the industry. The Revenue Department analysis indicates that 857 of those companies have already paid \$238 million in Capital Stock and Franchise

Taxes, corporate net income taxes, and employee withholding taxes so far this year. With total estimates of upward of 84 trillion cubic feet of gas, the Marcellus Shale contains enough clean burning natural gas to lessen America's dependency on foreign oil in the future.

Jobs, jobs, jobs. I cannot turn on the TV without hearing about jobs, jobs, jobs. My colleagues on the other side of the aisle have a jobs bill. Let us support a jobs bill in this Chamber. When we began this process, when we began this debate, we said that we wanted, number one, to protect our water supply and our environment. This bill does that. It goes above and beyond the Marcellus Shale Commission reports. It provides more than adequate setbacks and protections of our water supplies. We have made sure that drillers are responsible. We have taken regulations and put them into law. We have moved forward with what the people of Pennsylvania asked us to do in protecting the environment. We have put forward a reasonable fee structure in this bill, and we have addressed the zoning issue with a compromise that has been upheld by all of the local municipal associations, townships supervisors, and others, that this is a reasonable compromise. It still gives local control with uniformity across the State.

We can balance the environment with these jobs, and that is what this bill does. I urge an "aye" vote on this bill so we can continue to build this industry, continue creating jobs, and protect the environment at the same time.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Mr. President, I agree with the maker of the bill. Jobs are important. It is an important industry. I believe those jobs are going to come no matter what. My remarks are not entirely directed toward the maker of the bill, they are rather partly about the bill, but more the process.

What we have here today, Mr. President, is a Marcellus Shale tax. Let us call it what it is. The last time I looked, which was about 2 seconds ago, Governor Corbett said he opposed any new taxes. This is a new tax, so I fail to see why we are going forward today if the Governor is not going to support this new tax.

Secondly, I do not want to mince words. This is one of the worst public policy fiascos I have seen in my entire Senate career. This Senate is bending over backward, as is our Governor, to aid in the pillaging of our natural resources here in Pennsylvania. The pillaging is going on by companies not from Pennsylvania, and not from this country, companies such as Shell Oil of the Netherlands; Chevron of San Ramon, California; Exxon of Fort Worth, Texas; not to mention Chesapeake Energy of Oklahoma, who incidentally controls nearly 1,300 wells.

By the way, Mr. President, of the 7,000-plus wells, 85 percent are owned, leased, or controlled by companies outside of Pennsylvania. Eighty-five percent, Mr. President. Eighty-five percent of the Marcellus Shale companies are not from Pennsylvania. That bears repeating, and I have done it. We provided the drill heads to save the miners in Chile. Our know-how from Chester and Somerset Counties drilled in Chile, but it is not good enough to get the lion's share of the business here in our own State. The companies of China and India working on the extraction process are getting a big piece of the Pennsylvania pie.

We worry time and time again about how much of America's debt is owned by China, but we do not seem to be worried about

China's role here today. Only 15 percent of the wells are owned or operated by Pennsylvania companies, 15 percent. Listen, Mr. President, are we crazy? You want to pass a bill that gives crumbs to Pennsylvania businesses and gives all the business to folks outside of here? The tax being proposed today by this legislation is also such a pittance in comparison to all the other States, including Texas of all places, where we have Rick Perry and George W. Bush. They get over \$2.3 billion in taxes from their natural gas drilling, not to mention West Virginia, which is as close to a Pennsylvania model as we should be, \$436 million, and Wyoming, that teeny little State, \$740 million in taxes.

Now, the gentleman from Jefferson County is a smart guy and he is my friend, but this local impact tax would yield something like \$70 million. With all due respect to my friend, it sure is not enough. Seventy million dollars. Some people say it is nothing to laugh about, but I think it is a joke. The fact that the Governor, I hear, is saying it is still too high would be hilarious if it were not such a tragedy. At the same time, last year we cut higher education, we threw the working poor off of health insurance, cut public education. We told Pennsylvania families, essentially, to go pound sand. We have told the unemployed, good luck, we hope you find a job, but it really is not our problem.

I do think Governor Corbett and the Majority, with all due respect, are giving enough priority to Pennsylvanians. They talk about jobs, but most of the real economic benefit is going to take place outside of our borders. I have never seen so many license plates in all my life from Oklahoma and Texas. What is truly absurd and, frankly, outrageous is also the pretentiousness of fairness being represented. I notice that this tax does not really benefit areas outside of southwestern Pennsylvania. The last time I checked, Chester, Montgomery, and Philadelphia Counties were part of Pennsylvania. The Delaware River basin is already showing signs of pollution from hydraulic fracking. Pipelines and roads will carry gas to our ports in the southeast to be exported worldwide, yet there is no consideration, no thought, and no benefit to any other region. This type of systematic expulsion of the majority of Pennsylvanians from consideration or compensation is unheard of.

A few years ago, we took the radical step of expanding gaming across the State, but we never had the audacity to reserve those gaming revenues exclusively for one part of the State as this tax bill does. Even when we made a deal with the devil, because at the time we said Pennsylvania needs that revenue from gaming, we have to make this compromise. Well, we still made the agreement that we were going to put that revenue toward a statewide tax reduction. We did not just say Philadelphia is going to get all the revenue and everybody else can just figure out their own thing. We put property tax reduction across the State. So why are we not doing it in this case? With the proposed Marcellus Shale tax, the Majority and the Governor are telling the rest of the State, mostly outside the west, to go to hell. Apparently, they do not care about other areas. We are telling Chester County to take a walk. We are telling Philadelphia to kiss my you know what.

So I think it is an outrage. I do not think I am taking the tone too high when I say it is an obscenity. It is a public policy travesty what is going on. It is a shady inside deal, not this bill necessarily, but the whole darn process where campaign cash seems to have trumped the interest and the well-being of the people and families who live here. This is really a wasted opportunity. It is

an opportunity for all of the people of our State, our Commonwealth, for hundreds of years to come. We could proceed responsibly and fairly, but this bill does not do that at all. I understand it is important to get the process rolling. I understand it is important to start making a dent in this issue. But I really think we are wasting a great chance here, and it is an incredibly unfair bill.

If the Governor supports this legislation, by the way, or if he looks the other way, he is going back on one of his main campaign promises, which was, as I said at the beginning of this speech, that he was against any kind of new taxes. If he does that, he is essentially going back on his word to all Pennsylvanians. Mr. President, the real problem I have with that is he is going back on his word for no real good reason.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Luzerne, Senator Baker.

Senator BAKER. Mr. President, there may not be another Senate district as deeply divided between pro-drilling and anti-drilling individuals and groups as is mine. To add complexity, my district is also split between the Delaware River basin and the Susquehanna River basin, with the two commissions having different powers and different approaches to this issue.

This is the most publicly discussed, researched, and debated issue I have encountered since joining the Senate. For many, the emotional gap between economic development and environmental protection is unbridgeable. So this is not an issue where consensus is likely or compromise is well-received. It would be easy, as some have done, to pick apart this bill, finding compromises that are not satisfactory, protections that could be improved, and requirements that go too far. But if this package is defeated after all the time and negotiation that went into it, how and when does the next package come along?

On the plus side, this bill includes the ability to realize significant revenue from the increasing drilling activity, a balanced method for distributing dollars for important purposes such as community and environmental protection, and regulations and safeguards that will cut the risk of accidents and diminish the damage when things go wrong. There are a series of items that I advocated and that Senator Scarnati included in his plan. These include establishing deeper setbacks from wells and water sources, expanding ground water monitoring, requiring notification of the operators of public drinking water systems, giving access to locational information needed by our emergency responders, putting gathering lines under the Pennsylvania One Call System, directing dollars toward local impacts such as housing credits, and raising the standards for operators of wastewater treatment facilities.

This may not be the ideal fee structure, revenue yield, or funding distribution, but it seems to me to be a fair beginning. If experience shows insufficiencies or unintended consequences, those can be addressed. The only thing we know for certain now is that we cannot get the revenue to our communities, the communities that I represent that are being impacted, until a plan is passed and signed into law. I could not vote for a package that preempted local municipal zoning, and while I would prefer a bill that left zoning powers untouched, using the variation of the acre approach is not unreasonable.

In the end, the drilling is here and it is going to expand. We have all had many months to say what we are against. Now is the time to decide what we are for, to make decisions on the rules,

set the standards, and determine how to fund all the inspections, oversight, and protections that are necessary. In many respects, this bill improves the existing situation for Pennsylvania, for our residents, and on that basis, I am going to support it.

Thank you, Mr. President.

The PRESIDING OFFICER (Senator John C. Rafferty Jr.) in the Chair.

The PRESIDING OFFICER. The Chair recognizes the gentlewoman from Berks, Senator Schwank.

Senator SCHWANK. Mr. President, as was just mentioned, gas drilling is here, here to stay in Pennsylvania, and it will have a lasting economic and environmental impact on the State. The question is whether that impact will be a good one or a bad one. This is Pennsylvania, so that is not just an idle question, and because it is not, this bill is of vital importance. We are still cleaning up streams, hills, and valleys that unchecked industries spoiled before our grandfathers were born. And while we are paying for that cleanup, the money that was raised by the spoiling of those resources, those hills, valleys, and streams, has long since disappeared.

Looking at this bill, what it might have done, all that it needs to do, and what it actually seems likely to do, I am wondering who really will benefit the most by this legislation? And I come to the conclusion that it is not the citizens of Pennsylvania.

With all due respect for the diligent and challenging efforts that I know people on both sides of this Chamber have sincerely put into getting this bill to the floor, it succeeds mostly at doing too little. Mr. President, my constituents in Berks County are not likely to have to deal with gas wells, but this issue does not just impact the Marcellus Shale region. The gas, that vast resource that lies just beneath the surface of the earth, belongs to all of the citizens of Pennsylvania, and future generations as well. We are supposed to be stewards of not only this resource but also the water, soil, air, and forests. This bill fails the test of stewardship.

On the issue of local government, I reviewed the statement released by the local government associations on the implications of Senate Bill No. 1100. It is really sad to me that the support for this bill was really couched as, well, at least it is better than what the House lined up for us. Like many others in the Chamber, I am proud of having served in local government before coming here. I know how important local control is of local affairs, and it is important that we properly regulate the industry with careful and thoughtful measures that will benefit this Commonwealth now and for generations to come. That means safe drilling practices and strong protections for our environment. It means a stronger role for local communities. It means responsible bonding rates for possible environmental mishaps, not the pittance currently in Senate Bill No. 1100.

This legislation could be an important opportunity to learn from the mistakes of the past, to make ourselves stronger in the future, but we have missed the mark. In this epic struggle over whether we will have a tax or a local impact fee, environmental stewardship has become not much more than a sidebar. We have a responsibility to restore as well as protect our ground water and streams, but Senate Bill No. 1100 makes a halfhearted attempt when it should require the natural gas industry to make a realistic and responsible contribution in fair exchange for the wealth it is extracting from our ground.

Looking at these beautiful tapestries and paintings, the gilded chandeliers, and the woodwork in this Chamber, it is easy to forget for the moment the real mark that industries left to set their own standards on the people and lands of Pennsylvania. I think there is far too much potential for more of that in Senate Bill No. 1100. Instead of putting this industry to work to achieve economic growth, this bill will give us one of the lowest effective tax rates in the nation.

Mr. President, I believe the natural gas industry could be a sound economic engine for the Commonwealth. I do not think this proposal harnesses it, and it leaves us in danger of being trampled by it. Senator Scarnati made the comment about the jobs that will be the result of this legislation. I agree with him wholeheartedly. But, we can get those jobs, we can protect our environment, and we can give back to Pennsylvania what is owed to us by the extraction of this raw material. I am voting against this bill, and I encourage my colleagues to do the same. Thank you.

The PRESIDENT (Lieutenant Governor Jim Cawley) in the Chair.

The PRESIDENT. The Chair recognizes the gentleman from Lycoming, Senator Yaw.

Senator YAW. Mr. President, I sat here and listened to several hours of speeches about this bill and about the amendments to it, and I think you may have heard me say before, I deal in facts, not fear or fiction, when it comes to the gas industry. And sadly, I think an awful lot of the comments that have been made here today are based on a lack of understanding.

One of the facts of the world economy right now is there are 32 countries that have 48 shale plays. So the idea that we have something that is truly unique in the world is just not true. Yes, we have something that is very good, we are close to the right population, but the idea that we are standing alone and we can do with this industry whatever we want is just absolutely false. In fact, we see some of the ramifications of that already in one of my districts, and that is in Bradford County. Over the last month and a half, we have lost eight drilling rigs because they have moved. They are very, very mobile. They have moved to Ohio because Ohio happens to have a better climate for them to work in. Even though Bradford County has lost these rigs, they still have one of the lowest unemployment rates in the State. It is less than 6 percent. Lycoming County has one of the lowest, a very, very low unemployment rate.

In Lycoming County alone in the last 3 years, there have been six hotels built. Now, you cannot tell me that is not an impact and that it does not create jobs. There has not been a hotel built in Lycoming County in 25 years, and we have had six built in the last 3 years, so there is an impact. This industry has created thousands of jobs. Another fact is about 70 percent of those jobs are held by Pennsylvanians. How do you find that out? You have to go talk to them. You go to a drilling rig, you talk to the people who are doing the work. You talk to the people who are building the pipelines.

The idea that we can just tax anything at any rate also makes no sense because when some of the taxes were levied, the whole world economy was different than it is today. We are in a down economy, and why would we want to make matters even worse by levying some really high tax on it? That also makes no sense.

There was a comment made that we are giving away everything to foreign interests and that somehow if foreign interests are involved in the gas industry, that somehow, you know, it is a bad thing. I would just like to ask how many Members and staff, when they leave here today, are going to go home in a Toyota, a Nissan, a Honda, or yes, a BMW? Well, you know, that happens to be part of the global economy, and that is the way it is today.

One of the comments-- I had the opportunity to talk to the chairman of U.S. Steel about 2 years ago, and I asked him about the idea that we were buying most of our drill pipe from China. I asked him about that, and he told me that little problem was being remedied because now most of the drill pipe is made by U.S. Steel here in the United States, as well as the transmission pipe, which a large part is made outside of Pittsburgh. So this economy is growing as a result of the gas industry.

I would also like to point out that one of the primary pipeline contractors in my district is from Conshohocken, Pennsylvania, a very big contractor, and they are doing a majority of the gathering line work. There has also been mention as part of this bill about the cleanup, that we have to look to the prior industries and what prior industries did. Once again, it is a new ball game. We have a new situation. We did not have the environmental protections years ago that we have today. And today, we have a situation where it is a pay-as-you-go cleanup. If you make a mistake and you cause a problem today, you clean it up today.

So I urge all of my colleagues to support this bill. I think it is a good bill, and I think it does encourage the promotion of jobs in Pennsylvania.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, the sponsor of this particular bill made the point that it is balanced and reasonable and that it hits the sweet spot. Well, you know, it does hit the sweet spot, but not for the people of Pennsylvania. It hits the sweet spot for the companies, many of those global companies are going to make millions in this State off of this shale without giving the people of this State their due.

What bothers me most is that I believe in our approval we today are losing a tremendous opportunity, and it is disappointing, an opportunity where we can have our cake and eat it, too; an opportunity where we can create jobs, and they are desperately needed in Pennsylvania. And Senator Yaw is right, we are a part of a global economy. But there is no reason that we also cannot effectively have a rate in the middle that will provide us with funds to take care of the needs of the people of Pennsylvania, whether it be in education, basic and higher, whether it be in healthcare, whether it be in the highways and bridges that are so deficient in this State, or whether it be in the environment.

You know, all you have to do is take a minute or so to look at what some of the other States are doing with the money they have collected from the Marcellus Shale. What about Texas? You know that Texas gives more than \$500 million a year--and that is only a portion of shale income--to its State universities, and that \$500 million a year is reducing tuition for its students. When you have more students going to college, you have more economic development and more opportunities for your citizens. Why are we giving up that opportunity here in the Commonwealth?

Alaska, which has one of the higher rates--and Alaska certainly is not some far-out liberal State, certainly Governor Palin, when she was Governor, would not want to be called a liberal--but in that State, based on the money that they receive, every single citizen gets a check for \$1,281. That would be a sweet spot for the citizens of Pennsylvania. Not this bill, which is a sweet spot for those global companies. What about Wyoming? Let us look at Wyoming. Its severance taxes and impact fees have brought in \$927 million in 2010, and they have used much of this money to protect its rivers and streams.

You know, Mr. President, that during the presentation by the sponsor of this bill, a person I greatly respect, we were told that \$124 million is not chump change. He is right, but we have such an opportunity to get so much more. Let me give you an example. In this bill, the total amount of money that will go toward environmental needs is going to end up being \$14.5 million. That is the money that will go to the CFA and the money that will go to the counties. If I divide that by the 67 counties to take care of the environmental needs of this Commonwealth, each county will get \$216,000. That will not even purchase an acre of land in many parts of Chester County. And if you want to give an example, our county, when I was county commissioner, spent \$20 million a year on open space. So, you know, it might be a sweet spot, but it is not a sweet spot for those of us who care about the rivers, streams, and forests and who value that.

Mr. President, we in this bill do nothing when it comes to the pipelines that are going to come out of the Marcellus Shale. My county, Chester County, we do not have the--we are not going to have any Marcellus Shale drilling because we do not have the shale. But not one penny can be made from Marcellus Shale unless it gets to market. You know, you do not take it in trucks or trains, it goes in pipelines. And we will have pipelines criss-crossing our county. Our environmental ethic, where we have spent money on easements to preserve the open spaces of our county, will be threatened and challenged.

Mr. President, you know that we need, if it is not in this bill, we certainly need in the weeks and months ahead to protect those counties that are going to have the pipelines run through them. There is nothing, really, in this bill for those of us in southeast Pennsylvania, whether it be in the city of Philadelphia or in the suburban counties or in the Lehigh Valley. In fact, the only thing we are guaranteed at all is we might get \$40,000, including the city of Philadelphia. We might get that. There is nothing in this bill that guarantees more than that. This is one of the few bills that I know of in the history of this legislature where the money all goes to a small, select group of counties and does not go to the benefit of all the people of this Commonwealth. So I will tell you one thing, Mr. President, there is no sweet spot for southeast Pennsylvania in this bill, and that is fact.

Now, Mr. President, let us look at a document that has not been discussed here, and that is the Constitution of the Commonwealth of Pennsylvania. Let me read to you a portion of this Constitution, Section 27 of Article I, it says here, "Pennsylvania's public natural resources are the common property of all the people, including generations yet to come." What a beautiful statement of the concept of sustainability. A trustee, we, the legislature, "As trustees of these resources, the Commonwealth shall conserve and maintain them...." For what? The Constitution says "...for the benefit of all the people of Pennsylvania."

Think about this for a second. When the last revision of our Constitution took place, where did they put Section 27? Did they put it in some back part of the Constitution? Was it an addendum to the Constitution? No, Mr. President, this provision is in Article I, which is the declaration of the rights of the people of this Commonwealth. It says, "That the general, great and essential principles of liberty and free government may be recognized and unalterably established, WE DECLARE THAT -" And one of those declarations is to declare that we will maintain these resources, and they will be used for all the people of our Commonwealth. I say to my colleagues on both sides of the aisle, those of you who stand up and tell us that we need to obey the Constitution of Pennsylvania, those of you who stand up and tell us that we need to stand up for local control, then put your vote where your mouth is, stand up for the Constitution, and stand up for local control within this Commonwealth.

Finally, Mr. President, by profession I am an historian, and I remember so many times when students would look at me and say, how could Pennsylvania have done what happened during the age of coal? How could they have given this resource away in the way they did? How could Pennsylvania have allowed the environmental deterioration and destruction that took place that we are still paying to repair? You know, I did not have an answer for them. But I will tell you one thing, Mr. President, we are in a moment of history, and if we pass this bill, that question will be asked by generations of students and Pennsylvanians to come. How could we, in this moment of truth, in this moment of history, allow such a bill to be passed?

Mr. President, you know, we can have our cake and eat it, too. These companies are not going anywhere. We have too much shale. We not only have the Marcellus Shale, we have the Utica Shale. And we could stand up and get the economic benefits of the Marcellus Shale and at the same time take care of the education of students in this Commonwealth, take care of the highways, take care of the healthcare, and all we have to do. We do not have to be at the top of any State in terms of a tax or an impact fee. By the way, they are the same thing, even though the Governor does not want us to think of it that way. We can be more in the middle, and we can keep the jobs, we can obey our Constitution, and we can also take care of the needs of Pennsylvania.

Finally, Mr. President, when and if we do that, we will really create a sweet spot, not just for these companies, but we will have a sweet spot for every single citizen of this Commonwealth, and that is what we should be doing. Thank you so much. I rise in opposition to this bill, and I know that when I talk to my constituents in Chester County, 80 percent of those I talk to say to the legislature, we understand the economic benefits of the Marcellus Shale, but please protect our environment, please make sure that we use this special moment in time for the benefit of all the people of our Commonwealth.

Thank you, Mr. President.

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

Senator BLAKE. Mr. President, I am not sure I can be as eloquent as some of my colleagues, so I am going to be brief, and I know I will be appreciated for that.

Mr. President, I rise in opposition to Senate Bill No. 1100. It is almost an irony for me, because since the day I started in elected office, I have been saying that we should levy a fair as-

assessment on this industry. There is no provision in this bill that addresses the volume of natural gas being extracted from the wells throughout the State. This impact fee, basically, will decrease annually and be completely eliminated in 20 years, even if wells are still producing at that time.

We in northeastern Pennsylvania, as was outlined by a few of my colleagues, know all too well the implications of allowing a natural resource to be extracted from the ground, while seeing the wealth associated with that extraction exit the State. We know it well. If my colleague, Senator Yudichak, were here, he would echo my comments on this. We have global, multinational, multibillion-dollar natural gas companies who are certainly consolidating control in the Marcellus Shale field, able and willing to exploit our natural resources, and yet we in this General Assembly apparently are unwilling to ask them to pay a fair share, a fair share to relieve our State coffers, to relieve tax burdens on the middle class, to support local communities statewide afflicted by aging infrastructure, environmental degradation, joblessness, and economic recession.

Drilling companies pay millions of dollars in other States, Mr. President. You have already heard Senator Hughes very eloquently point out what is being paid in other States. The jobs in this industry will come, no matter what we do in this Chamber. I can assure you. Texas, \$2 billion a year; North Dakota, \$2 billion a year; Oklahoma, \$1 billion; Alabama, \$4 billion. We are looking at a bill that would raise \$94 million this year, and perhaps \$250 million 3 years from now. That is a rounding error on their books, Mr. President.

I also would like to express my support for what Senator Ferlo said earlier about local control, local zoning, his words, sacrosanct local control. We should respect that, and we are not doing that in this bill. Mr. President, we cut a billion dollars in public education, we retreat from community and economic development in the middle of a recession, and we walk away from the opportunity to do the right thing by our people by asking profitable, growing companies to pay their fair share.

It is interesting, Mr. President, that the dissent on this bill is among the Democratic Party. The dissent on this bill, meaning that we are likely to vote "no" to tax this industry, that evidences the poor construct of this legislation. I rise in opposition of Senate Bill No. 1100, Mr. President, not because of what it does, but because of what it fails to do.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Farnese.

Senator FARNESE. Mr. President, I have some very brief remarks. Many times I have spoken about what I believe to be a failed plan, a failed priority for this administration, and I think no other legislative agenda really underscores or illustrates how poor this administration's agenda is for Pennsylvania than this Marcellus Shale bill. Nothing else, in my opinion, really shows the people of Pennsylvania that this administration simply does not get it.

About a year and a half ago, I took a ride out to Fayette County, because I wanted to see firsthand what exactly this process entailed. What were we going to be asked to vote on in the next year to come? And some things really struck me. The first is that this industry, in its own words, has said that there is nowhere else to go. This industry is not going to leave, Mr. President. Everybody in this room knows that, and everybody in this

building knows that to be a fact. This is the fourth-largest deposit in the free world. They are not going anywhere, and they are specifically not going to go anywhere because, as the maker of the bill made a point of yesterday, a difference of \$300 million as opposed to \$600 million in year six. That is going to make this industry get up and leave? Three hundred million dollars is going to force this industry to leave Pennsylvania, the fourth-largest deposit in the world? Ask yourselves that question. Do you really believe that?

Again, I really cannot understand the failure to allow this industry to pay its fair share. Proponents of this legislation use the word "compromise." Let us remember how this discussion began. It began with one simple word from this administration: No. No tax. If you give me a tax, I will veto it. That is not the way you begin a compromise. That is not the way you begin negotiations. You do not tell someone, no way, unless you do it my way. The real truth right now, the real truth in this room that nobody wants to talk about is that this bill does not have the full, 100-percent support of this administration. They are not totally on board with this bill the way it is written right now. They do not like the way it is written right now. They probably think it is too hard on the industry. They are making them pay too much.

How can you cut education, Mr. President? How can you ask the people of Pennsylvania--and I am not going to use my words, I am going to use the other side's words--to tighten their belts, to live within their means? How many times have people on the other side of aisle in this room said, it is time to tighten your belt, it is time to live within your means, except, except when you talk about this industry. This industry will not be asked to pay its fair share. This industry will be protected. This industry will not be asked to participate and contribute to moving Pennsylvania forward the way that other States have done; State after State after State. Make no mistake, Mr. President, just like gaming, Pennsylvania is now in the gas industry. We have a partner, and it is the natural gas industry. Yet, once again, we are unwilling to make those demands of a partnership that are natural, and, Mr. President, are very, very reasonable.

So, let me end with this. My learned colleague who spoke two speakers ago made an analogy and a statement that there is no sweet spot in this legislation for southeastern Pennsylvania. And I will agree with him, because the truth, Mr. President, the dirty little secret, is that there is no sweet spot in this legislation, and in reality, this bill is nothing more than a sour apple.

Thank you, Mr. President.

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

Senator FERLO. Mr. President, I know the hour is late, and I will try to be brief. I did speak at length earlier on an amendment, so I know I will get applause for that. Of course, every time I say I am going to be brief, I still continue on.

I want to thank my colleague and professor, Dr. Dinniman, Senator Dinniman, for his eloquence earlier and for rightfully reading verbatim the constitutional provision, Section 27, Declaration of Rights, the people's rights to clean air and water. I will not repeat that. But it is clear that passage of this legislation, Senate Bill No. 1100, truly, in my heart, represents what I can characterize as the pusillanimous neglect of the rights that are enumerated in that section.

We have heard a lot of verbiage today about how important this industry is and the gold rush that it represents, but I think we

need to take a step back. We have begun to talk in this Chamber today about a hundred-plus year legacy of the coal industry. We have thousands and thousands of acres all across the Pennsylvania counties where we have that legacy of acid mine drainage and pools of acid mine with which we have not even begun to deal, we do not even have the resources to deal with, and we let the coal mining industry off scot-free because there were no provisions in place, provisions that my colleagues, Senator Hughes and Senator Stack, rightfully tried to enact by strengthening the bonding requirements. We are going to have people, just like the last 100 years of the industrial legacy, walk away once they have taken the natural resources, and they are going to give a stiff arm to our Pennsylvania residents. Let us not make any mistake about it.

I do not really support the expansion of this industry. We have had hundreds of penalties and fines, in the millions, issued to this industry, what I consider to be corporate raiders of our natural beauty and our natural resources, just in the last couple of years, and just with only 4,000 or so wells that have been drilled in less than maybe 20 counties. We are going to see an exponential growth of this industry with the passage of this bill, so we are talking about a very large amount of drilling that will take place in the weeks, months, and years to come.

This bill is violative of the people's right to receive adequate benefit, both numerically in terms of revenue that could be going and directed to so many needed activities for which we are responsible, importantly and first of all would be the environmental hazards associated with deep-well drilling in the State. And we have seen, and I cannot enumerate all of the instances, but we have had hundreds of instances of fracking infractions, contaminated water, frack water going into streams and rivers and people's wells, frack water that contains 200-plus carcinogenic materials that, up until just recently, were not even known to the public. The industry itself stiff-armed the public and regulatory agencies by denying access to transparency of those chemicals, arguing that they were proprietary rights under contract law.

We keep talking about the wealth that this industry will create, and we are totally dismissive of other important industries in this State. We have hundreds of organic farms in this State that may lose their designation over the next several years because of their close location at or near or adjacent to the frack fields. There is no air quality monitoring that is going on. If it is going on by the industry, who the heck can trust that? That is like the fox watching the chicken coop. It is not being independently evaluated.

This industry, in its insidious power of wealth and greed, has lined the pockets of politicians across this State to yield, and to be unbending to the will of the electorate and to the public as it concerns the public's interest. We have the hunting, the gaming, and the fish industries, the regulatory agencies and commissions have been basically bought and sold. They are so anxious and so hard up for revenue that they have given away lands and rivers and streams where drilling can happen.

We had a bill here recently which opens up all university campuses, beautiful, pristine, many times rural campuses with unbelievable aesthetic qualities, now being opened beside prisons and colleges. I mean, is there anyplace where we cannot have drilling in this State? Are we going to be molested to this extent by this industry? Do they have no sense of responsibility? They have bought off editorial boards. They have bought off

newspapers. They control the mass media and the corporate media in this State. They are insidious. They sponsor the fireworks in Pittsburgh. They put Little League baseball team T-shirts on the backs of small children. They will fix a road. They will do a favor. They will slick somebody's palm. I mean, it is disgusting.

We are approving this legislation without any appreciation for people's rights. This bill runs roughshod over environmental concerns that are legitimate. It does not protect the democratic rights of municipalities and local elected officials to dictate local zoning, and we have argued at length about the inadequate revenue that is being generated as a result of this so-called reasonable bill. For those reasons, and many more, I stand, once again, in opposition to this bill.

Just in closing, Mr. President, I spent 23 years in public office, and a good number of those years have been involved in transforming the city of Pittsburgh into a "meds and eds" community and the redevelopment of our riverfront. It has been done with great cost to the public treasury. It has been done where the public, once again, had to ante up to remediate sites. When I was first elected, the steel mill was still present along Second Avenue and Carson Street. It has been transformed, but it took the last five mayors and consistent public dollars coming from both Republican and Democratic governors over the last 20 years. Yes, we can transform our communities, but every time we have had to deal with the industrial legacy—I fear emphatically that we are repeating the same mistakes of the past.

Vote "no" on Senate Bill No. 1100. Thank you.

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

Senator COSTA. Mr. President, first, for the sake of the Members, I will be submitting my remarks for the record. However, I am not done yet.

Mr. President, I want to rise and talk a little bit about the process that we experienced here in the last several months. I think it is important to note, because historically and on other occasions, folks on this side of the aisle stood up and indicated that the process was one that was not appropriate and we were not comfortable. That cannot be said in this particular instance, Mr. President. I want to rise to recognize the efforts of a couple of folks who worked very, very hard and diligently to try to craft a piece of legislation that would have addressed all the needs of all the Members of this Chamber. Specifically, I want to reference Senator Scarnati and his staff for the work they provided and the leadership he exhibited working closely with a number of our Members, led by Senator Yudichak, who, as we all know, is not here tonight because of his wife having a baby. But in any event, the work that Senator Yudichak did, working closely with Senator Scarnati, I think exemplifies how this process is supposed to work.

As Senator Scarnati mentioned previously, there are a number of aspects or issues that are contained in this version. While we are appreciative of that effort, the fact of the matter is, as I stated earlier, we do not believe that the bill goes far enough. As my friend and colleague, Senator Blake, from Lackawanna said, it is not what is in the bill, it is what is not in the bill, and that is what we need to be concerned about.

Some of the concerns that we raised relate to the fee level, which we think is inadequate. Some of the issues around the setback requirements are not appropriate, in our estimation. Environmental protection and safeguards do not exist to the degree

that we hoped that they would. But at the end of the day, we had the opportunity to participate in this process to make sure that those issues were vetted, discussed, and that we were heard. So while we are appreciative of the things that we were successful in getting into the legislation, I think it is important that folks recognize—the folks who are watching this program know that the democratic process played out here, where we did have ample opportunity. We had amendments on the floor that were discussed and debated, and we were given the opportunity to make our case. While we were not successful in achieving all those amendments, there were additional amendments that will be addressed at a later point in time. Again, we appreciate that.

So, all that being said, Mr. President, at the end of the day, we agree to disagree about the scope of this particular piece of legislation, but I wanted to make sure our Members knew we were appreciative of the efforts and the democratic process that prevailed here over the course of time.

Thank you, Mr. President.

The PRESIDENT. Without objection, the remarks will be spread upon the record.

(The following prepared remarks were made part of the record at the request of the gentleman from Allegheny, Senator COSTA:)

Mr. President, I rise today to voice my concerns with the Republican Marcellus Shale plan. Earlier today, I briefly outlined my general objections to the measure and wanted to more fully develop the argument of why I could not support this legislation at this time. Before getting into much more detail, I want to take a brief moment to thank Senator Scarnati and Senator Yudichak, the two lead negotiators on this legislation.

My Democratic colleagues and I were provided the opportunity to have meaningful input and provide ideas to improve this bill. It is unfortunate that we were not able to reach a general agreement on all aspects of this measure, and we cannot support it on final passage. But, I want to assure all, it was not for lack of effort. Senator Scarnati, his staff, and our Members and staff have talked at length through issues and provided perspectives for each other to consider.

Mr. President, let us reverse course and look at the bottom line first. At the end of the day, we need to make sure that this bill is correct. It has to be a good fit to generate enough revenues for the future that can be shared by all Pennsylvanians. The measure also needs to have the proper environmental protections and community safeguards to insure that future generations are not burdened by our mistakes. On each of these measures, this plan fails. The Republican Marcellus Shale plan does not meet the minimum that is necessary to provide sufficient revenues and protect Pennsylvania families.

There is no question that we face extraordinary economic challenges. Today, more than 520,000 families remain unemployed. Our State economy continues to sputter, with more than 50,000 newly-unemployed just in the last 4 months. State revenues reflect this reality, now nearly \$300 million below estimate in just the first four months of this fiscal year.

The Marcellus Shale is a real economic opportunity that will help us grow out of our economic woes and help reverse negative economic trends. Marcellus Shale drilling creates jobs. It has the chance to revitalize communities. It can be an economic generator for decades to come. That is why we need to be careful and manage how we go forward carefully.

We need a fair and competitive shale tax that does not burden the industry and stifle economic development. Yet, we must have an extraction tax at a rate that is fair and equitable. And, we have to have a plan that manages environmental protections and does not block local control. The Senate Democratic plan and the other alternatives, which we offered as amendments to this bill, are the kinds of proposals that are needed.

My Senate Democratic colleagues and I called for responsible environmental oversight of the Marcellus Shale industry. Senate Democrats fought to maintain the rights of local governments to use existing zoning laws and local authority to protect their communities from inappropriate drilling activity. We have outlined critical safeguards that would protect our forests, parks, and water resources.

Throughout the negotiations, we sought an increased setback of 1,000 feet of shale wells from buildings, a larger safety zone of 500 feet from a freshwater source, and a 2,500-foot zone of a surface water intake. The Republican plan does not have this level of environmental protection.

In addition, our plan respects local zoning and does not run over local control. We do not believe the State should be able to overrule local communities, their officials, and citizens, all in the name of uniformity. Pennsylvania is diverse, has diverse people, and diverse needs. Local communities know best what their zoning needs are and what is acceptable land uses within their communities. Our plan respects local control. The Republican plan does not.

Another key difference between our Marcellus Shale drilling plan and the Republican plan is that we think the industry should be taxed at a higher rate. Let us face it, these drilling companies are some of the world's largest and most profitable companies. They are not the mom-and-pop startup companies that some would have you believe. If the Republican plan makes it into law, Pennsylvania will rank among the five lowest effective tax rates in the country. It will rank above only Ohio, Indiana, North Carolina, and Arkansas. That is an outright shame.

Here are some facts to consider:

- Every other energy producing State regulates and taxes Marcellus Shale;
- States such as Louisiana, New Mexico, and North Dakota generate nearly a billion dollars from their Marcellus Shale taxes;
- Texas imposes an effective tax rate of 7.5 percent, and generates nearly \$2.5 billion annually from taxes on Marcellus Shale.

The Republican plan will only yield \$94 million in the first year, with a maximum of \$255 million after 4 years. The Democratic plan would generate in excess of \$150 million in the first year, and increase to \$491 million after 4 years. Over a 4-year period—if you compare the Senate Republican plan and our plan—Pennsylvania taxpayers would lose more than \$560 million in revenues under this proposal.

Water and sewer projects would lose \$62 million; environmental protections would be out almost \$100 million; local governments lose \$304 million; and transportation projects would be short \$62 million. What is the difference? Our plan has a higher impact fee of \$75,000 per drill site, a responsible implementation schedule and price adjustments that will enable us to have a viable fee for years to come.

Is that a reasonable, competitive fee? Is that fair? The answer is, yes. A fee at that level is not onerous, it is competitive with other States, yet it will provide the kind of revenues that can be distributed throughout Pennsylvania. The key is that the Marcellus Shale is a Pennsylvania resource. It should be shared by all Pennsylvanians. Marcellus Shale should not be parochial and it should not all be returned to impacted communities. Other regions of Pennsylvania, like Philadelphia and its suburbs that do not have shale, should receive a benefit from this Pennsylvania resource. Our distribution plan insures that this happens, that we use Marcellus Shale revenues for statewide environmental protection programs, and we fund key improvements.

We believe that we can do better and that our fight to provide a real energy extraction fee or tax is not over. We believe we should have better safeguards for the community and environmental protections. Senate Democrats have tried to insure that many of our needs were addressed in this bill. And, to the credit of Senator Scarnati, many have been included. However, let us not forget that we have only gone a little way toward crafting a responsible and reasonable Marcellus Shale plan. We have more to do.

Again, I thank Senator Scarnati, his staff; Senator Yudichak, his staff; and all the other Members and staff from both sides of the aisle who spent hours trying to hone a finished product.

While we cannot support this legislation, we think there is room for all of us to gather again when this measure returns to us from the House and revisit those areas where we have had disagreement.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, the hour is late, and I will submit my remarks for the record.

Thank you, Mr. President.

The PRESIDENT. Without objection, the remarks will be spread upon the record.

(The following prepared remarks were made part of the record at the request of the gentleman from Jefferson, Senator SCARNATI:)

Mr. President, VOTE "YES" for jobs and the environment.

LEGISLATIVE LEAVES

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

Senator PILEGGI. Mr. President, I request temporary Capitol leaves for Senator Gordner, Senator Orie, and Senator Baker.

The PRESIDENT. Senator Pileggi requests temporary Capitol leaves for Senator Gordner, Senator Orie, and Senator Baker. Without objection, the leaves will be granted.

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-29

Alloway	Gordner	Robbins	Waugh
Argall	Greenleaf	Scarnati	White Donald
Baker	McIlhinney	Smucker	White Mary Jo
Browne	Mensch	Solobay	Wozniak
Brubaker	Piccola	Tomlinson	Yaw
Corman	Pileggi	Vance	
Earll	Pippy	Vogel	
Erickson	Rafferty	Ward	

NAY-20

Blake	Eichelberger	Hughes	Schwank
Boscola	Farnese	Kasunic	Stack
Brewster	Ferlo	Kitchen	Tartaglione
Costa	Folmer	Leach	Washington
Dinniman	Fontana	Orie	Williams

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.

UNFINISHED BUSINESS BILL REPORTED FROM COMMITTEE

Senator EICHELBERGER, from the Committee on Local Government, report the following bill:

HB 1582 (Pr. No. 2440)

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for purposes and powers.

SENATE RESOLUTIONS ADOPTED

Senators ORIE, SCARNATI, PILEGGI, ALLOWAY, BROWNE, DINNIMAN, EARLL, ERICKSON, FARNESE, FERLO, FONTANA, GREENLEAF, HUGHES, KASUNIC, PIPPY, RAFFERTY, SCHWANK, SOLOBAY, STACK, TARTAGLIONE, WARD, D. WHITE and BOSCOLA, by unanimous consent, offered **Senate Resolution No. 230**, entitled:

A Resolution designating November 17, 2011, as "World Prematurity Day" in Pennsylvania, the first ever global effort to raise awareness about the issue of premature birth around the world.

Which was read, considered, and adopted by voice vote.

Senators ORIE, SCARNATI, PILEGGI, COSTA, ALLOWAY, BROWNE, BRUBAKER, DINNIMAN, EARLL, EICHELBERGER, ERICKSON, FARNESE, FERLO, FONTANA, GREENLEAF, HUGHES, KASUNIC, PIPPY, RAFFERTY, ROBBINS, SCHWANK, SOLOBAY, STACK, TARTAGLIONE, VOGEL, WARD, WAUGH, D. WHITE, YAW, YUDICHAK and BOSCOLA, by unanimous consent, offered **Senate Resolution No. 231**, entitled:

A Resolution observing the week of November 20 through 26, 2011, as "National Family Week" in Pennsylvania.

Which was read, considered, and adopted by voice vote.

CONGRATULATORY RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Congratulations of the Senate were extended to John E. Cleary by Senator Alloway.

Congratulations of the Senate were extended to Thomas Nale by Senators Dinniman and Pileggi.

Congratulations of the Senate were extended to Robert Herr by Senators Dinniman and Rafferty.

Congratulations of the Senate were extended to Dean Bastianini and to Shenot Farm of Wexford by Senator Orie.

Congratulations of the Senate were extended to Mr. and Mrs. Joel K. Single, Sr., by Senator Pileggi.

Congratulations of the Senate were extended to Hailey Brown, Maria DeSimone, Juliana Lupo, Kylie Gregory, Jordan Checkoff, Taylor Kredo, Mollie Weinstein and to Julie Rebh by Senator Tomlinson.

Congratulations of the Senate were extended to Casey Raver, William Berger, Kenneth Hyde, Patrick Mooney and to Timothy Mooney by Senator Waugh.

Congratulations of the Senate were extended to Raymond Eugene Cupples, Sr., Emma Pauline Knox and to the Waterford Public Library by Senator M.J. White.

CONDOLENCE RESOLUTION

The PRESIDENT laid before the Senate the following resolution, which was read, considered, and adopted by voice vote:

Condolences of the Senate were extended to the family of the late Honorable Albert W. Sheppard, Jr., by Senators Hughes and Dinniman.

BILLS ON FIRST CONSIDERATION

Senator PILEGGI. 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 by voice vote.

The bills were as follows:

SB 201, SB 790, SB 939, SB 1133, SB 1211, SB 1221, SB 1239, SB 1252, SB 1308, SB 1322, SB 1334, SB 1335, SB 1336, HB 242, HB 344, HB 1399, HB 1582, HB 1630 and HB 1862.

And said bills having been considered for the first time,
Ordered, To be printed on the Calendar for second consideration.

ANNOUNCEMENTS BY THE SECRETARY

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

SENATE OF PENNSYLVANIA**COMMITTEE MEETINGS****WEDNESDAY, NOVEMBER 16, 2011**

9:00 A.M.	ENVIRONMENTAL RESOURCES AND ENERGY and MAJORITY POLICY COMMITTEE (joint public hearing on issues related to flood mitigation through stormwater management)	Senate Maj. Caucus Rm.
9:45 A.M.	LAW AND JUSTICE (public hearing on Senate Bill No. 1039 criminal background checks requested by employers)	Room 8E-B East Wing
10:00 A.M.	FINANCE (to consider Senate Bills No. 371, 382, 1036, 1201 and 1301; and House Bill No. 1164)	Room 8E-A East Wing
1:00 P.M.	EDUCATION (to consider rescheduled public hearing on implementation and compliance with criminal history provisions in Act 24 of 2011 from PDE, PSEA, and PSBA)	Hrg. Rm. 1 North Off.

THURSDAY, NOVEMBER 17, 2011

9:15 A.M.	COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT and LOCAL GOVERNMENT (joint hearing with the House Local Government and House Urban Affairs Committees to continue discussion on Act 47 and the impact on local government, businesses, communities and labor)	Room 140 House Maj. Caucus Rm.
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FRIDAY, NOVEMBER 18, 2011

12:00 P.M.	LEGISLATIVE REAPPORTIONMENT COMMISSION (public hearing to invite testimony regarding the 2011 Preliminary Reapportionment Plan which was filed with the Department of State on October 31, 2011)	Hrg. Rm. 1 North Off.
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WEDNESDAY, DECEMBER 7, 2011

9:00 A.M.	VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS (to hold a hearing on re-write of Title 35)	Hrg. Rm. 1 North Off.
9:30 A.M.	COMMUNICATIONS AND TECHNOLOGY (public hearing to review the OIT Strategic Plan)	Room 8E-A East Wing

PETITIONS AND REMONSTRANCES

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

Senator BRUBAKER. Mr. President, on November 4, just a few weeks ago, I had the opportunity to visit an elementary school in Brecknock, in my district. The interaction with those students, Mr. President, was very, very inspiring. These young people sat, listened intently, and engaged with me. So, I want to take this time on the Senate floor to thank the teachers, Mrs. McCabe, Mrs. Miller, and Mrs. Stoppi, who did and continue to do a fabulous job in teaching these wonderful young people about American history, Pennsylvania history, and State government. They are doing an absolutely outstanding job.

What I would like to do, Mr. President, with the Chair's permission, is enter each of the student's names onto the record for the Commonwealth of Pennsylvania for those three classes that I met with that day. I promised them I would do that. Instead of reading those names at this time, I would like to submit each of the names of the students onto the record for the Commonwealth of Pennsylvania.

The names are: Andrew Adams, Anna Armbruster, Melissa Atanasio, Michael Atanasio, Brett Blankley, Jordan Brenneman, Trinity Brubaker, Elizabeth Charles, Trent Delp Jr., Alexander Diedrich, Natalie Donatelli, Danielle Field, Giannicola Ferrarelli, Gunner Gehr, Kendall Halsey, Adam Hershey, Ashley Hess, Joshua Hicks, Matthew High, Hannah Hostetler, Bradley Hurst, Parker Johns, Zach King, Ian Klemas, Amanda R. Martin, Charles Martin, Kelly Martin, Savannah McCollum, Maximus Mercado, Duahli Moua, Jenna Muttik, Ethan Nelson, Tye Poehler, Hannah Ravert, Braden Reel, Alyssa Ross, Laura Sauder, Emily Sensenig, Keegan Sensenig, Rebecca Sitar, Annie Slovak, Brianna Smith, Marissa Spacht, Anna Taranovich, Allison Usner, Choua Vue, and Cassidy Yanarella.

Thank you, Mr. President.

RECESS

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

Senator PILEGGI. Mr. President, I move that the Senate do now recess until Wednesday, November 16, 2011, at 11 a.m., Eastern Standard Time, unless sooner recalled by the President pro tempore.

The motion was agreed to by voice vote.

The Senate recessed at 8:19 p.m., Eastern Standard Time.