

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HOUSE APPROPRIATIONS COMMITTEE

ORIGINAL

IN RE: BUDGET HEARING

MAIN CAPITOL
MAJORITY CAUCUS ROOM
ROOM 140
HARRISBURG, PENNSYLVANIA

WEDNESDAY, MARCH 17, 2004, 10:03 A.M.

BEFORE:

HON. DAVID G. ARGALL, CHAIRMAN
HON. DWIGHT EVANS
HON. PATRICK E. FLEAGLE
HON. GIBSON C. ARMSTRONG
HON. MATTHEW E. BAKER
HON. STEVEN W. CAPPELLI
HON. CRAIG A. DALLY
HON. JEFFREY E. HABAY
HON. JIM LYNCH
HON. EUGENE F. MCGILL
HON. SAMUEL E. ROHRER
HON. CURT SCHRODER
HON. PETER J. ZUG
HON. ANTHONY J. MELIO
HON. JAKE WHEATLEY, JR.

HILLARY M. HAZLETT, REPORTER
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WITNESS

PAGE

KATHLEEN A. MCGINTY

3

1- CHAIRMAN ARGALL: Welcome to the House
2 Appropriations Committee's second budget hearing with
3 the Department of Environmental Protection.

4 This morning's hearing was scheduled as a
5 follow-up to the first DEP budget hearing in order to
6 give our members time to ask questions that they were
7 unable to ask a few weeks ago.

8 Joining us once again this morning,
9 welcome, Secretary McGinty.

10 SECRETARY MCGINTY: Thank you. Good
11 morning.

12 CHAIRMAN ARGALL: After the members of the
13 Committee introduce themselves, we will begin right
14 where we left off at the first hearing. We will
15 begin with questions from the members who were slated
16 to ask questions before we ran out of time. We will,
17 of course, once again, be conducting the hearing with
18 the Committee's traditional five-minute rule for
19 questions and answers.

20 Steve, if you would like to begin with
21 introductions.

22 REPRESENTATIVE CAPPELLI: Representative
23 Steve Cappelli from Lycoming County. Good morning.

24 SECRETARY MCGINTY: Good morning.

25 REPRESENTATIVE BAKER: Good morning. Matt

1 Baker, Tiago and Bradford Counties.

2 REPRESENTATIVE MELIO: Good morning,
3 Miss Secretary.

4 SECRETARY MCGINTY: Good morning.

5 REPRESENTATIVE MELIO: Tony Melio, Bucks
6 County.

7 REPRESENTATIVE MCGILL: Eugene McGill,
8 Montgomery County.

9 REPRESENTATIVE ARMSTRONG: Gib Armstrong,
10 Lancaster County.

11 REPRESENTATIVE ZUG: Peter Zug, Lebanon
12 County.

13 REPRESENTATIVE LYNCH: Jim Lynch, Warren,
14 Fuller, and McKean Counties.

15 CHAIRMAN ARGALL: All right.
16 Representative Lynch?

17 REPRESENTATIVE LYNCH: Secretary McGinty,
18 good to see you wearing green.

19 SECRETARY MCGINTY: Top of the morning to
20 you.

21 REPRESENTATIVE LYNCH: I have a question.
22 I want to get this. This is strictly local. I am
23 perplexed by this as many people back home are. You
24 may or may not be familiar with it. I will quickly
25 in a few minutes tell you about it.

1 We have a piece of land in northern Warren
2 County up near the New York state line. It's called
3 Ackery Swamp. It's part of Pennsylvania State
4 Gamelands 282. It's comprised of approximately 435
5 acres.

6 It's an existing wetland. It hasn't always
7 been an existing wetland. You're not familiar with
8 this, are you?

9 SECRETARY MCGINTY: The Ackery Swamp name,
10 it's the first I'm hearing of it.

11 REPRESENTATIVE LYNCH: Okay. What happened
12 was the swamp has been there, although it was
13 smaller; 435 acres in size, sometime in the early
14 1900s, a train trestle was put through it between the
15 actual part of the swamp and the creek called the
16 Conewago Creek which flows into the Allegheny River
17 in the city of Warren.

18 There were three underpasses to allow water
19 to go back and forth underneath this trestle. As
20 beavers will have it, they moved in there. They
21 built some dams and they expanded the wetlands. The
22 beavers left several years ago.

23 A lot of people came to me and said we need
24 to do something about this. I'm in lieu of trying to
25 get some beavers to move back in there. I got some

1 dam money. I got 20,000 from the state to put in
2 some manually-operated structures in each of those
3 three culverts underneath this trestle so that water
4 can be taken care of and the wetlands preserved.

5 Now, right now, the situation is we're
6 losing wetland vegetation. That's important for you
7 guys because that's how you go out and determine a
8 wetland.

9 The problem I have is this: There is
10 seemingly nobody opposed to this. This has been
11 going on for about four or five years now. I mean,
12 most of them but not all of them. The Game
13 Commission is in favor. The Fish and Boat Commission
14 are in favor. All of the legislators in the area are
15 in favor of it. The Audubon, all kinds of
16 sportsmen's clubs, birds, all the conservation
17 agencies in the area are in favor of it. The Corps
18 of Engineers even issued their permits, but you
19 haven't.

20 SECRETARY MCGINTY: I'm guessing that
21 there's a stump in the wood pile.

22 REPRESENTATIVE LYNCH: Yeah, it's called
23 DEP. We cannot understand why when everybody is in
24 favor of preserving this wetland, why DEP continues
25 to nitpick. The Game Commission will submit

1 something. Ducks Unlimited will submit an
2 application. They have been doing this for over two
3 years now. DEP will say, you need to dot this I and
4 cross this T. It's been going on. There's a
5 stonewalling on something going on which DEP should
6 be on top of.

7 I don't understand it. The Game Commission
8 doesn't understand it. The Fish and Boat Commission
9 doesn't understand it. All of these agencies that I
10 mentioned, the conservation districts which are
11 partially funded by you, don't understand it. I
12 don't understand it.

13 What I'm asking you is to look into this
14 and get back to us, get back to me, why you are not
15 supporting this.

16 SECRETARY MCGINTY: I'd be very happy to
17 take a look at it. This is the first time I am
18 hearing about it, but I am happy to look back and see
19 what the holdup may be, the clean stream, or the
20 Clean Water Act we have had but we will look at it.

21 REPRESENTATIVE LYNCH: Corps of Engineers
22 has issued their permits.

23 SECRETARY MCGINTY: Good. I will take a
24 look at it. Thank you for raising it.

25 REPRESENTATIVE LYNCH: Thank you,

1 Mr. Chairman.

2 CHAIRMAN ARGALL: Representative Armstrong.

3 REPRESENTATIVE ARMSTRONG: Thank you,
4 Mr. Chairman.

5 Madam Secretary, I've got questions on
6 three different subjects. I'll try to ask them
7 quickly and if you could be just as brief, I would
8 appreciate it. The first one deals with DEP data
9 regarding out-of-state trash.

10 Since the increase of the tipping fee of \$4
11 increase, we've seen a 10 percent decrease in the
12 amount of trash that we're taking from out of state.
13 Now, there are plans to more than double that fee.

14 Do you anticipate that this will continue
15 to increase the amount of trash we will take from out
16 of state?

17 Then also, you testified at the last
18 hearing the ratio of out-of-state to in-state trash
19 was 50/50. The Pennsylvania Waste Industries
20 Association claims it's more than 60/40, 60 percent
21 in-state with 40 percent out-of-state.

22 With additional increases on tipping fees,
23 that ratio is likely to go to 70/30, meaning that
24 Pennsylvanians will carry the majority and a growing
25 portion of the burden.

1 Do you have that? Is this the same data
2 you have and was the information that you provided at
3 the last hearing correct?

4 SECRETARY MCGINTY: Did you have three?
5 Did you want me to go through the three and have me
6 answer?

7 REPRESENTATIVE ARMSTRONG: Let's just check
8 this one.

9 SECRETARY MCGINTY: On the out-of-state
10 trash data, in fact, I think it was just yesterday,
11 we put out last year's numbers. We do now have two
12 years in a row where we have seen some dip in the
13 amount of trash being imported.

14 At the same time, we have seen an increase
15 in the amount of trash generated in state. Your
16 question: Do we think that's a trend? Do we think
17 that gap might continue?

18 With two years of data, I don't think we're
19 prepared to say that there's a trend there. I would
20 also point out that we do have record gasoline and
21 transportation fuel prices at the moment.

22 In terms of the various factors that might
23 be counseling towards not moving trash long
24 distances, I think we need to take that into account.
25 We will obviously continue to monitor those numbers

1 and see which direction they go. That is related to
2 the question that you asked about where are these
3 percentages right now?

4 With the new data that has just come in and
5 we announced yesterday or so with the decrease in
6 out-of-state trash and the common in-state trash, I
7 will need to recalculate that 50/50 number and come
8 back to you and tell you as of today, as we sit here
9 today, what that number is; but the percentages are
10 moving.

11 REPRESENTATIVE ARMSTRONG: Thank you very
12 much, Madam Secretary. I'm very concerned that if we
13 don't impose a fee then, you know, we'll end up
14 having Pennsylvanians pay the price in the end.

15 The second question regards the \$4 per ton
16 residual waste that the Governor is imposing for its
17 Growing Greener sewage.

18 This will also be assessed for captive
19 waste or waste sent to a captive facility. In other
20 words, the company owns the site where the waste was
21 produced, as well as where the waste goes.

22 SECRETARY MCGINTY: Yes.

23 REPRESENTATIVE ARMSTRONG: Why are you
24 taxing a company for disposing of their own waste on
25 their own facility?

1 SECRETARY MCGINTY: For the same reason --
2 the Governor's intention is to try to encourage the
3 beneficial reuse of materials wherever possible. The
4 exemption that we make broadly speaking in a residual
5 waste being -- if the material isn't disposed of but
6 it is being beneficially reused, then that it would
7 be exempt from the fees.

8 Anything that is being essentially thrown
9 out or disposed of is what the Governor has proposed
10 to put the fee on, and that tracks with the municipal
11 solid waste fees that we had in terms of what is
12 being disposed of, going to the landfill, that that's
13 where the fee attaches.

14 REPRESENTATIVE ARMSTRONG: Thank you. The
15 last question: In 2001, the EPA released a toxic
16 release inventory for Pennsylvania and reported there
17 were between 200 and 283 million tons of waste
18 depending on whether you count on-site and off-site.

19 If taxed at 15 cents a pound per the
20 Governor's initiative, this will cost taxpayers
21 between 30 and \$40 million. Now, that's considerably
22 greater than the \$24 million burden that the Governor
23 was hoping to assess.

24 SECRETARY MCGINTY: Well, the TRI includes
25 or calls for the reporting of emissions even when the

1 materials that are associated with the emissions are
2 being reused; for example, to generate energy out of
3 those materials.

4 Again, that kind of beneficial reuse is
5 subtracted and would not be subject to the fees that
6 the Governor has proposed. That's the difference in
7 the numbers in terms of the overall line and then
8 subtract those that represent materials that are
9 beneficially reused.

10 REPRESENTATIVE ARMSTRONG: So in other
11 words, there would be some kind of a tax credit for
12 some of this material?

13 SECRETARY MCGINTY: No. I think it would
14 be on the front end. The fee would only be assessed
15 to those emissions that, for example, are not
16 transferred for recycling, not transferred for energy
17 recovery, not just being transferred for treatment.
18 There's a fourth category that POTWs are not subject
19 to reporting under TRI. That was also -- those
20 materials by March would not be subject by the fee at
21 all.

22 REPRESENTATIVE ARMSTRONG: We're just over
23 our time limit. Thank you.

24 SECRETARY MCGINTY: Thank you.

25 CHAIRMAN ARGALL: Representative Schroder?

1 REPRESENTATIVE SCHRODER: Thank you,
2 Mr. Chairman.

3 Madam Secretary, good morning.

4 SECRETARY MCGINTY: Good morning.

5 REPRESENTATIVE SCHRODER: I appreciate your
6 willingness to come back before the Committee --

7 SECRETARY MCGINTY: Sure.

8 REPRESENTATIVE SCHRODER: -- as we have
9 questions that we didn't have time to get to last
10 time.

11 Madam Secretary, my question concerns an
12 area that I recently had the chance to raise with
13 some visitors to my office, as well as directly to
14 one of the Governor's representatives just yesterday
15 or so.

16 That is, it seems to me that based upon
17 what the Governor has proposed, we're being asked to
18 implement certain fees or taxes, however you want to
19 characterize them, during this budget process here;
20 but at some point in the future then the bond issue
21 to fund Growing Greener and the environmental
22 programs will go before the voters.

23 SECRETARY MCGINTY: Right.

24 REPRESENTATIVE SCHRODER: Now, what
25 concerns me is, what happens if voters, you know, are

1 in the mood for whatever reason to pass that bond
2 issue?

3 Now, the voters in my part of the state
4 might very well be because of the growth and
5 development pressures that they face, but I don't
6 know that that holds true for the entire state.

7 So if the bond issue would not pass, what
8 happens to this additional revenue? What will it be
9 used for? That's the first question.

10 Really then the second question is: Would
11 it make more sense to tie the implementation of the
12 fees into the passage of the -- the eventual passage
13 of the referendum? In other words, if that doesn't
14 pass, then we don't implement the new fees.

15 SECRETARY MCGINTY: Right. Yes. There is
16 a sequencing in terms of the fees being legislative
17 and the bond issue appearing on the ballot for voter
18 approval.

19 The reason why the Governor has asked that
20 those move simultaneously, instead of the fees coming
21 after the bond issue is passed, is because there are
22 programs that are in need of funding now that would
23 benefit from those fees, in addition to the new
24 programs that the Governor has suggested that would
25 be the subject of the bond initiative itself.

1 So for example, those fees would go to
2 shoring up the revenues available in the Growing
3 Greener Program, which revenues are dipping for a
4 number of reasons, not the least of which includes
5 the legislative sunset of the transfer into the
6 Environmental Stewardship Fund of \$30 million a year
7 from the combination of the recycling and the
8 hazardous sites clean-up fund.

9 Second, related to that, the fees would
10 also go to shoring up the hazardous sites clean-up
11 fund, which as you know funds all of our ground
12 fields work and our emergency response work.

13 Those programs, at least some of them, are
14 out of money. We have not been able to fund some of
15 the site remediation work under ground for the
16 program ven this last fiscal year -- I'm sorry --
17 this fiscal year and certainly won't be able to do it
18 for the '04-'05.

19 The reason for the fees now is in order to
20 shore up current programs that are either running out
21 of, have run out, or are in need of additional
22 revenues to stay afloat.

23 Of the first years of those fees, I think
24 it's roughly about \$18 million that would go towards
25 debt on the bond. In the event that the bond would

1 pass, that would be the gap of the 48 million. It
2 would be 18 million that would otherwise have been
3 dedicated to the bond initiative.

4 REPRESENTATIVE SCHRODER: So what you're
5 saying is there's 18 million of that that is really
6 contingent upon the bond passing?

7 SECRETARY MCGINTY: Yes.

8 REPRESENTATIVE SCHRODER: It would be my
9 hope that at least some of these fee portions
10 contingent upon the bond passing, that we could find
11 a way to, you know, tie it to the voter passage --
12 the voter passage of that.

13 Just another issue that I could bring up.
14 I think you and I had the chance to discuss briefly
15 with your testimony last time that you have correctly
16 pointed out that we have in the past relied upon
17 fines and fees to finance our environmental programs.
18 Certainly, I have supported that in the past.

19 I guess my concern is: When we're asked
20 again to implement a tipping fee increase after we
21 just did so a couple of years ago, I don't think we
22 can look at this tipping fee increase in isolation
23 because what has happened -- and, of course, this
24 last tipping fee increase was passed on two
25 municipalities which, in turn, passed it on to their

1 taxpayers -- they bore the brunt of that increase,
2 plus a little extras that some of the trash companies
3 passed through with their own increase at that time.

4 Then you add that onto the elimination of
5 the Act 339 sewage grants which also gets passed on
6 to the ratepayers in many of those same townships and
7 municipalities, you realize the problem that I sense
8 is that we have a piling on, if you will, of local
9 government and then down to the taxpayer, ratepayer.

10 There's starting to be some push back on
11 that from those folks who basically see the state
12 government as financing their programs on the local
13 government's back and are not too appreciative of
14 that.

15 I just bring it up because it's fine to say
16 that it's only a four- or five-buck increase; but we
17 have to look at it in the context of what we just did
18 a couple of years ago and, I think, the elimination
19 of the Act 339 funds, which the cost of that gets
20 passed on as well.

21 Thank you, Mr. Chairman.

22 CHAIRMAN ARGALL: Representative Cappelli?

23 REPRESENTATIVE CAPPELLI: Thank you,
24 Mr. Chairman.

25 Good morning, Madam Secretary.

1 SECRETARY MCGINTY: Good morning.

2 REPRESENTATIVE CAPPELLI: It's nice to see
3 you again.

4 SECRETARY MCGINTY: You, too.

5 REPRESENTATIVE CAPPELLI: I would like to
6 ask you first and foremost the question concerning
7 the toxic release inventory and the Governor's
8 proposal to assess the 15 cent per pound toxic
9 emission fee on certain producers of some emissions
10 within the Commonwealth.

11 It's my understanding that the Federal
12 Government through the EPA provides for credits to
13 those industries now below certain thresholds of
14 emissions, correct?

15 SECRETARY MCGINTY: Well, you don't get a
16 credit. You just don't have to report.

17 REPRESENTATIVE CAPPELLI: Could you explain
18 to me the credit program?

19 SECRETARY MCGINTY: The way that the toxic
20 release inventory is constructed, you have to meet
21 certain thresholds before you are subject to the
22 requirements at all.

23 You have to either be a manufacturer user
24 of 25,000 pounds per year or more or someone who has
25 on-site 10,000 pounds per year or more before you

1 trip into having to report at all.

2 Then even within that, there are only
3 certain industry segments that are subject to
4 reporting. Some industry segments are not included
5 in the TRI reporting requirement.

6 REPRESENTATIVE CAPPELLI: But there are for
7 those who are above the emissions level set by the
8 department, there are credits available through the
9 government.

10 SECRETARY MCGINTY: There are credits
11 pursuant through the Federal Clean Air Act. That has
12 to do with the different sweep of air pollutants,
13 what are called the criteria air pollutants.
14 Pennsylvania has been a participant in that in the
15 Acid Rain Mine Drainage Program, for example, where
16 there is a cap and trade program in place.

17 REPRESENTATIVE CAPPELLI: And those
18 producers can use those credits or they can sell
19 those credits to a liable company or another producer
20 within the state whose threshold is well exceeded.

21 SECRETARY MCGINTY: Yes, exactly, which
22 leaves each plant with the choice of taking whatever
23 is the most cost-effective approach to them.

24 Either you completely reduce the pollution
25 on-site; or if that's too expensive, you do a

1 combination of that and purchasing credits from
2 someone who has met and exceeded their pollution
3 obligation.

4 REPRESENTATIVE CAPPELLI: Now, those
5 credits would not in any way, shape, or form apply to
6 the --

7 SECRETARY MCGINTY: TRI.

8 REPRESENTATIVE CAPPELLI: -- TRI?

9 SECRETARY MCGINTY: No, they are not
10 because TRI is not regulatory. You just have to
11 report.

12 REPRESENTATIVE CAPPELLI: Nor is the
13 Governor in any way, shape, or form proposing his own
14 credit program?

15 SECRETARY MCGINTY: Not pursuant to this at
16 all. It's just to attach a fee to those emissions
17 that are reported.

18 REPRESENTATIVE CAPPELLI: So if you're a
19 producer of such emissions and you meet the letter of
20 the new law, you're going to have a 15 cent per pound
21 fee assessed?

22 SECRETARY MCGINTY: For those categories of
23 emissions that are identified and not beneficially
24 reused.

25 REPRESENTATIVE CAPPELLI: Thank you for

1 that answer. Lastly, on the Growing Greener Program,
2 Growing Greener II, whatever we wish to call it, it's
3 my understanding when the legislature acted a year or
4 so ago to provide additional revenues into those
5 programs, those sorts of revenues are fairly
6 predictable at least through 2012.

7 I just want to ask you relative to your
8 prediction that the program itself will be bankrupt
9 by the end of the next fiscal year, would it be
10 reasonable for me to conclude from your statement
11 that the only way that that could actually occur is
12 if we, the Commonwealth, and your Department in
13 particular overspends against revenues that we know
14 are fairly predictable from going into the next
15 decade? Is that a fair statement?

16 SECRETARY MCGINTY: First of all, in terms
17 of which programs have run out or is running out of
18 money, it's the Brown Fields Program that would have
19 been completely out of money by '03-'40 but for
20 changes that we made in the program. Brown Fields
21 remediation, we just didn't fund. \$8 million worth
22 of such remediation, we just didn't have the money to
23 fund. It would have been bankrupt.

24 In terms of Growing Greener, first of all,
25 we're only talking about DEP's part of Growing

1 Greener, not the other agencies that participate.
2 Within that, we would have been out of money,
3 bankrupt in '05-'06 but for changes, again, that we
4 made in the preceding year, in the '03-'04 fiscal
5 year, moving some federal money into Growing Greener,
6 changing some programs that we used to do through
7 contract into watershed grants.

8 So we have changed what was a protectory of
9 a program that would have been out of money in
10 '05-'06 to one where the books would have been
11 balanced; but that has come at a cost, No. 1, because
12 we were only able to do \$11 million in grants this
13 year as opposed to 37 to \$40 million in grants, which
14 is what the legislature had provided for, one.

15 And then the second thing that I presented
16 for the legislature's consideration, even though we
17 have now a growing protectory to balance those books,
18 we have fixed some of the problems that were there.
19 There are two new issues on the scene or
20 newly-appreciated issues. One is an increasing
21 operation maintenance expense attached to the
22 programs that have been funded, the projects that
23 have been funded.

24 You may be aware of some of these in your
25 district. They mostly associate with the passive

1 acid mind drainage treatment systems that we have put
2 in place. Those costs are predicted to go up to on
3 the order of \$11 million a year by 2012.

4 The second new cost or increasing cost on
5 the scene has to do with the conservation's own
6 enhancement program, which comes out of DEP's part of
7 Growing Greening. It typically has been at about \$5
8 million a year, but 165,000 new acres have been added
9 by virtue of the Federal Department of Agriculture's
10 support of that initiative in Pennsylvania. That
11 will add another 5 to \$6 million to those costs.

12 The books are balanced or will be balanced
13 by the end of '05-'06 in Growing Greener. It will
14 come at the substantial reduction costs of grants
15 that we can give; but even then, we do have these new
16 costs on the scene or newly-appreciated costs on the
17 scene which create a funding problem again for
18 Growing Greener.

19 REPRESENTATIVE CAPPELLI: Thank you.

20 CHAIRMAN ARGALL: Representative Zug.

21 REPRESENTATIVE ZUG: Thank you,

22 Mr. Chairman.

23 Madam Secretary, I wanted to tell you a
24 little bit about a business in my district a few
25 years ago. It was a great manufacturing job base.

1 They left because it's a multi-national corporation.
2 They went to other locations in other states.

3 What happened with the taxes you're
4 applying on this manufacturing community? Are you
5 anticipating closures in the Commonwealth or does
6 this help us attract jobs?

7 SECRETARY MCGINTY: The Governor sees this
8 very clearly as this package combined with the work
9 you are doing with the Governor on the stimulus
10 package, and within this budget the tax cuts that the
11 Governor proposes, that this is part of an investment
12 strategy in Pennsylvania that will sharpen and
13 enhance our competitive edge.

14 REPRESENTATIVE ZUG: So by putting more of
15 these fees on the manufacturers, you think that's
16 going to attract manufacturing jobs to Pennsylvania?

17 SECRETARY MCGINTY: I think what the
18 Governor has said is this package as a whole with the
19 tax cuts, with the investments that are being made,
20 with the stimulus package, that this is a growth plan
21 for Pennsylvania, yes.

22 REPRESENTATIVE ZUG: I'm a little surprised
23 by taxing manufacturing we are attracting new
24 companies to come here.

25 SECRETARY MCGINTY: Well, for example, the

1 legislature has traditionally taxed manufacturers to
2 fund the Brown Fields Program.

3 The Brown Fields Program has created or
4 retained 30,000 jobs in the Commonwealth of
5 Pennsylvania.

6 One survey in southwest Pennsylvania found
7 that because we're not moving quickly enough that the
8 Brown Fields Program should be bigger, we lost out on
9 \$419 million in new investment just in southwestern
10 Pennsylvania, because we didn't have shovel-ready
11 sites for businesses to either build or expand their
12 businesses on.

13 REPRESENTATIVE ZUG: I understand what
14 we're saying. I have to move on. I only have five
15 minutes.

16 SECRETARY MCGINTY: Okay.

17 REPRESENTATIVE ZUG: My sort of follow-up
18 area is, and someone earlier talked about the
19 numbers, the reduction in out-of-state trash that we
20 are getting in the last two years, which I think is a
21 good thing.

22 The problem though is our figure -- you had
23 said initially 50/50. Our figure is leaning toward
24 40/60, 40 percent out-of-state and in-state 60. Less
25 people will be sending trash here and some of our

1 municipalities are sending trash out of state because
2 it's cheaper.

3 What happens with that bond issue that
4 someone talked about earlier, how we're going to pay
5 that back if there's less revenue coming in because
6 more trash is going out of state?

7 You talked a little bit about that with the
8 Growing Greener monies are down, which is revenue
9 driven. Money from people smoking are down. You
10 gave us money in the tobacco settlement. It's not
11 coming in. We're general funded. We can't afford to
12 do that.

13 How are you talking about making up that
14 money for this environmental fund if the trash coming
15 from out of state is going down?

16 SECRETARY MCGINTY: Well, first of all, the
17 point about the general fund can't handle it is part
18 of the reason why the Governor is proposing new
19 revenue sources and we agree.

20 In terms of the fluctuation in numbers as
21 to how much is out of state and how much is in state,
22 the latest round of data suggest it was only released
23 yesterday, there is an increase in in-state generated
24 waste.

25 I can't say to you today that the overall

1 aggregate numbers have gone down. Of course, the
2 fees are based on aggregate numbers, not on
3 sub-itemization numbers.

4 REPRESENTATIVE ZUG: That would be
5 interesting if you could get those numbers for us. I
6 would really like to see them. This is no longer an
7 out-of-state tax. People from out of state are
8 paying the tax. People in Pennsylvania are paying
9 the tax.

10 I mean, if we can do things to keep
11 out-of-state trash from going to other places, that's
12 what I'm saying. Lebanon has a landfill. We will
13 take everybody else's. We, as a state, are a hauler;
14 but it just really scares me that the money that we
15 are anticipating is going to go other places, which
16 is a good thing but it's just going to drive the cost
17 of funding this program down the drain like the
18 tobacco settlement is going to do over the next
19 couple of years. Thank you.

20 Thank you, Mr. Chairman.

21 CHAIRMAN ARGALL: Representative Rohrer?

22 REPRESENTATIVE ROHRER: Thank you,
23 Mr. Chairman.

24 Madam Secretary, good morning.

25 SECRETARY MCGINTY: Good morning.

1 REPRESENTATIVE ROHRER: I have a couple of
2 questions. I want to pick up on the line of
3 questioning that Representative Zug just went
4 through.

5 The concern that I have, one of them, is
6 obviously the imposing of significant taxes on our
7 utilities, manufacturers, anybody with a smokestack.

8 As we have heard, I mean, we know of some
9 that is going to be \$300,000. We learned of that
10 last time. That is going to be maxed out at a 5
11 million cap and then wondering how in the world that
12 we can say this is going to be good for employment.
13 We would know the only thing that would grow is the
14 unemployment line rather than attracting business
15 here.

16 Could you tell me whether or not the
17 Department has entered into any kind of an economic
18 impact study to determine how these taxes will affect
19 what you're supposing on doing to grow business in
20 the state? Do you have that -- any kind of study?

21 SECRETARY MCGINTY: We have been working
22 with individual companies that have come to us and
23 said, what do you think the tab will do for us? As
24 anyone can do, on our website, we have helped to
25 generate or calculate some numbers.

1 We have also looked at again the balance of
2 the Governor's initiative, which, again, is lopsided
3 toward tax cuts.

4 REPRESENTATIVE ROHRER: But have you done a
5 statewide impact study, because this is not just for
6 one region of the state? This is something that is
7 all over.

8 SECRETARY MCGINTY: That's where I think
9 the point that was made before is an important one in
10 terms of what the Governor proposed is not new in
11 most respects, of the sense that most of these
12 programs have been funded by the same kind of
13 imposition of fees on industry.

14 I think in the first round of questioning,
15 we talked about maybe what we should do is see if the
16 legislature has had a model over the years in looking
17 at those impacts since this is the way we have
18 finances in these programs. If that's the case, we
19 should make sure we're all using the same assumption
20 in that regard.

21 REPRESENTATIVE ROHRER: I appreciate the
22 answer. The bottom line is, we have done the -- the
23 administration, the study. The Budget Secretary has
24 confirmed that no study has been done.

25 I think to change -- to make these kinds of

1 impacts without an objective study on what it will do
2 to business in the state, rather is going and talking
3 to a couple and seeing how bad it is going to be on
4 you, is not really prudent. We're rolling some big
5 dice here that I'm very concerned about, that
6 question.

7 The second one, let's zero in on the
8 tipping fees. This has more to do with policy from
9 the Department than anything. In my district, I have
10 a large landfill as I'm sure you are aware, BFI.

11 That landfill has received multiple, many,
12 many, close to 20 or over, violation citations for
13 the Department, which I think everybody believes
14 justified and was the appropriate thing for the
15 Department to do.

16 On the other hand, there was an application
17 in for an expansion. That is one of the largest
18 landfills in the state, almost all coming out of
19 state.

20 I'm wondering why the Department at this
21 juncture of what I have seen, indicating that they
22 would be above a permit for expansion when, in fact,
23 where there have been so many continued and repeated
24 violations.

25 I would hope it would not be for the fact

1 that they would hope that they would keep revenue
2 increasing, particularly when they are an
3 out-of-state company.

4 I hope there's no kind of consideration on
5 the Department's standpoint that they would overlook
6 violations in exchange for recognizing that the 7,000
7 tons that are coming in per day would be revenue
8 under increased tipping fee.

9 Could you tell me why the Department seems
10 to be taking this very, very lightly on enforcing the
11 regulations that you have responsibility to enforce?

12 SECRETARY MCGINTY: Well, we don't color
13 outside the lines. The lines are as established by
14 statute and regulation. Those lines include when an
15 entity submits to us an application, it is incumbent
16 upon us to review that.

17 What we are in the process of doing is as
18 per legislative direction and statute in our
19 regulations, reviewing, technically assessing an
20 application that has come in. We will follow that
21 procedure.

22 If standards are met, then an applicant
23 gets their application. If the standards are not
24 met, they do not get the application.

25 Having said that, we do not issue permits

1 to entities that are out of compliance with state
2 law. So that constitutes, I think, what the lawyers
3 would refer to as a permit bar if there's a
4 consistent pattern of violation of the law and
5 outstanding violations of the law at the time that an
6 application will be finalized.

7 REPRESENTATIVE ROHRER: And you will act
8 according in that procedure? What you're saying, you
9 would follow that?

10 SECRETARY MCGINTY: We would follow that.

11 REPRESENTATIVE ROHRER: Thank you very
12 much.

13 SECRETARY MCGINTY: Thank you.

14 CHAIRMAN ARGALL: Vice Chairman Fleagle.

15 REPRESENTATIVE FLEAGLE: Thank you,
16 Mr. Chairman.

17 Good morning, Madam Secretary. I wore a
18 green tie, green shirt, and suit today; and once
19 again, you have one-upped me.

20 I think, Madam Secretary, you have found
21 throughout our hearings that basically -- and let's
22 not be naive about it -- Republicans are not so much
23 against what you're spending this money for as they
24 are how you're going to raise it. I'm sure you
25 picked that up.

1 I'm concerned also about that. My
2 colleagues can tell you, I'm not a real visionary in
3 this caucus, but I am really concerned about the tax
4 policies that we have been following and the slope
5 that we've been going down.

6 Governor Rendell has pretty poop-hauled the
7 4 percent sale tax increase. I'm not committed for
8 anybody on that, including myself.

9 He has stopped that on the basis of it
10 being a regressive tax and hurting the poor and
11 that's fine. I can see that point; but with the fees
12 that are going to be paid by my citizens and this is
13 excluding -- I know businesses are really important.
14 We want to bring businesses to Pennsylvania. I'm
15 right in line with that.

16 What I'm really concerned about is my
17 constituents and money. I know we're going to help
18 them and all of these parks and all of these things
19 are going to help the future for our kids. That
20 might be true.

21 A lot of these folks are going to have this
22 tax added on their property taxes, this tipping fee;
23 or they'll get the same bill. They're going to see
24 their bills go up.

25 And we've been trying -- Lord knows we have

1 not had much success with lowering property taxes and
2 here we're going to add another tax to these folks.
3 I'm really concerned about that. I'm concerned about
4 the regressiveness of that. Usually big companies
5 can take care of themselves, but poor people can't
6 and working people can't who are basically going to
7 be paying that. I think that is the cruelest of all
8 regressive taxes.

9 Granted, we have to work on the same team
10 to provide the services that you say you're going to
11 provide with these funds, but I would appreciate if
12 you could convince the administration, because
13 apparently we can't, that these are regressive taxes.
14 The very taxes such as the sales tax that they are
15 bad mouthing, they're basically doing the same thing
16 that these tipping fees are going to be doing because
17 even though industry -- it will be the person in the
18 street who will be paying these.

19 It will be more money. Whether it's a
20 dollar or a hundred dollars, it's money out of their
21 pocket. You can respond to that, but I would
22 appreciate if you could talk to your Governor, my
23 Governor and steer him away from this type of
24 funding.

25 SECRETARY MCGINTY: Well, I think he would

1 welcome ideas that could help us to meet the
2 objectives that I think we do share.

3 The programs we are talking about largely
4 have come either from the initiation of Governor
5 Casey or the initiation of Governor Ridge. All of
6 them are of the notions that with smart investments,
7 we not only clean up the environment but we do create
8 jobs at the same time.

9 REPRESENTATIVE FLEAGLE: What about the
10 regressiveness of it though?

11 SECRETARY MCGINTY: Well, I think that the
12 Governor would say, let's be specific about it. How
13 about part of this initiative is to shore up the
14 hazardous site clean-up fund?

15 I think it would be quite regressive if the
16 state's emergency response capabilities were shut
17 down such that each local municipality had to enhance
18 its fire services, its emergency services, its health
19 service, if each one had to have a mobile analytical
20 lab, for example, to detect what emissions is coming
21 from each facility that is making people sick.

22 I think they are economies of scale in
23 sustaining a statewide program so that citizens in
24 each municipality don't have to buy their own. I
25 think it's a bigger picture and we should look at the

1 bigger picture and see what the best strategy is.

2 REPRESENTATIVE FLEAGLE: So you don't think
3 these taxes are regressive to poor folks?

4 SECRETARY MCGINTY: No, I don't. As the
5 Governor has indicated, these are investments in the
6 Commonwealth to try to improve the vision we all
7 share and you've been working hard over the last
8 year, some of statistics are deplorable with
9 Pennsylvania. We shouldn't be so far behind the
10 bandwagon in keeping young people here and creating
11 jobs, that this is about turning those statistics
12 around.

13 REPRESENTATIVE FLEAGLE: I agree with your
14 ends, Madam Secretary. I don't agree with your
15 means.

16 SECRETARY MCGINTY: And there again, if
17 there are different means, the Governor is very
18 willing to come to the table and hear alternate
19 suggestions.

20 REPRESENTATIVE FLEAGLE: Thank you, Madam
21 Secretary.

22 Thank you, Mr. Chairman.

23 SECRETARY MCGINTY: Thank you.

24 CHAIRMAN ARGALL: Do we know at this point
25 how many communities have the tipping fee built into

1 their property tax base?

2 SECRETARY MCGINTY: I don't know that off
3 the top of my head, but there are only a handful of
4 municipalities that maintain their own landfill
5 activities. Most of that over the years has been
6 privatized or outsourced.

7 CHAIRMAN ARGALL: Where the tipping fee is
8 actually part of the property tax, they don't pay a
9 separate garbage fee, for instance --

10 SECRETARY MCGINTY: Again, I would have to
11 get back to the Committee with specifics. There are
12 not that many municipalities that still take it upon
13 themselves to provide that service.

14 CHAIRMAN ARGALL: Representative Habay?

15 REPRESENTATIVE HABAY: Thank you,
16 Mr. Chairman.

17 Happy St. Patrick's Day, Madam Secretary.
18 Good to see you today. I wanted to ask you about the
19 Growing Greener II initiative. How many employees
20 would you need to hire in order to administer and
21 implement and monitor this initiative?

22 SECRETARY MCGINTY: We would not have to
23 hire any additional employees. What we have seen is
24 a tailing off of the program with the diminishment of
25 funds we have seen in Growing Greener.

1 REPRESENTATIVE HABAY: There wouldn't be
2 anyone who would need to be hired in addition to with
3 all this? No one at all?

4 SECRETARY MCGINTY: We have a grant center
5 that is dedicated to overseeing the implementation of
6 this initiative and some of our other grant programs.
7 That grant center was designed and set up for what
8 was intended with Growing Greener, which is that it
9 was a 40, \$50 million program.

10 As indicated in response to an earlier
11 question, we're down now to about \$19 million of new
12 grants that we were able to offer in '03-'04.

13 REPRESENTATIVE HABAY: Okay. What is the
14 state's capacity right now of local groups and
15 contractors to effectively use this new funding?

16 SECRETARY MCGINTY: Well, we receive many
17 times more grant requests and contractor needs every
18 year than we can fund. I think it was on the order
19 of about \$153 million worth of requests in the
20 '03-'04 grant cycle for Growing Greener.

21 Again, in terms of new grants that we were
22 able to do watershed grants, it was only \$19 million
23 that we were able to do.

24 REPRESENTATIVE HABAY: Well, aren't we in
25 essence by doing this creating backlogs with these

1 groups as well as staff within the four agencies
2 involved in Growing Greener?

3 SECRETARY MCGINTY: I don't understand the
4 question in terms of backlog. What we're trying to
5 do is begin to get about that backlog and reduce, for
6 example, in the acid mine drainage contacts where
7 we're looking at 350 years to clean up those
8 abandoned mines and put that on a faster footing, if
9 we could.

10 REPRESENTATIVE HABAY: Thank you very much.

11 SECRETARY MCGINTY: Thank you.

12 CHAIRMAN ARGALL: We will now begin Round
13 2, if I may.

14 SECRETARY MCGINTY: Okay.

15 CHAIRMAN ARGALL: And I promised my
16 colleagues that I will be much briefer than I was
17 last time.

18 I thank you for the follow-up information.
19 That was very interesting in regard to my specific
20 concerns in Tamaqua. In our last public hearing on
21 the budget, you spoke quite eloquently about your
22 desire and the Governor's desire to do more and to
23 improve rivers and streams all across the state.

24 SECRETARY MCGINTY: Yes.

25 CHAIRMAN ARGALL: That's certainly a goal

1 that I share and every member of the Committee
2 shares.

3 We also discussed the problem that I have
4 in my hometown, the Houkes River, which has seen some
5 major environmental progress. Sadly over the last
6 few years, it's began to run both orange and black on
7 different days.

8 Your letter informed me that that's only a
9 temporary condition, somewhere between, I think, six
10 months and two years. I understand the balance that
11 we're trying to strike for a need for healthy
12 environment and the need for an economic environment.
13 That's also a petition I share. I believe we should
14 work on both at the same time.

15 As we look at this temporary period on the
16 Little Schuylkill, I'm curious if you're willing to
17 require the coal company, the LCNN, to temporarily
18 re-reopen its mine water treatment facility at the
19 No. 10 shaft to solve this temporary problem?

20 SECRETARY MCGINTY: It's my understanding
21 that that would actually slow us down because the
22 pumps are inoperable, which is part of the reason why
23 this Committee and others have said, these passive
24 treatment systems that don't depend on operable funds
25 are an attractive option.

1 I have inquired about this. I understand
2 it would take probably a very long time to replace
3 those pumps because they're not off-the-shelf types
4 of equipment either, that and given the size and the
5 power of them.

6 The course that we are on, I believe, is
7 the quickest course to trying to remediate the
8 problem. As you know, it's not an inexpensive
9 solution we have imposed on LCNN. They are looking
10 at a 2.5 to \$3 million bill just to put the treatment
11 system in.

12 This is not a cheap route by any means, but
13 I think quicker than having to order new pumps, wait
14 for their delivery, install them, get the bugs out of
15 them, and get them up and running, etc.

16 CHAIRMAN ARGALL: Earlier I have been told
17 that the whole problem started when the company
18 stopped paying their electric bill and the pumps were
19 turned off because they needed electricity.

20 You're telling me it's much more than just
21 getting the company to pay their electric bill and
22 flicking the switch?

23 SECRETARY MCGINTY: My understanding is the
24 pumps are inoperable. They do not work.

25 CHAIRMAN ARGALL: That's interesting

1 information. That's the first time I've seen that.
2 Any information you could provide on that would be
3 very informative to me.

4 SECRETARY MCGINTY: Sure.

5 CHAIRMAN ARGALL: We also heard today much
6 of the -- Mr. Fleagle just mentioned it -- that
7 controversy we're facing with your suggestions is
8 that really simple question, should taxes be
9 increased to do a lot of good things on the
10 environment?

11 As you heard though in Tamaqua on Monday
12 night, that question isn't nearly as controversial as
13 your March 2nd decision to grant the statewide
14 general permit to fill abandoned strip mines with the
15 dredge materials, the fly ash, and other materials.

16 We're trying to, I guess, learn more about
17 this process all of the time. I understand that the
18 second permit is necessary before that project can
19 move forward.

20 In looking through our files, there is a
21 letter to LCNN from Chief of the General Permit
22 Section of DEP was talking about some -- several site
23 specific issues raised by the district mining office
24 that needed to be addressed and then went on to list
25 19 concerns.

1 Why would the district mining office be
2 evaluating site specific issues back in September if
3 they were looking at the big picture, the statewide
4 permit, with the understanding that then we move to
5 the site specific issues later? I'm not sure I
6 understand the time line here.

7 SECRETARY MCGINTY: Well, I would say,
8 Mr. Chairman, in part because of the effective
9 advocacy of the elected representatives of the area
10 who know that while this is a general permit and
11 therefore is available to operators anywhere in the
12 state, who then come with a site specific application
13 that the applicant nonetheless is LCNN and the
14 applicants at least previously stated an intention or
15 desire to look at that Spring Dale pit as a place
16 where they might make an application for the use of
17 those materials.

18 So it isn't being responsive to the
19 questions raised, the issue raised, the -- I think --
20 reasonable expectation that particular attention
21 would be paid in this case to the applicant, even
22 though it's an applicant for a general permit, that
23 the specifics and the particulars that that applicant
24 brings to the table have been issues that we have
25 looked at.

1 CHAIRMAN ARGALL: What is the Department's
2 time line on consideration of this second permit?

3 SECRETARY MCGINTY: Well, we don't have one
4 because we haven't had one presented to us. However,
5 should an application be presented and let's assume
6 for the sake of discussion it's LCNN that presents an
7 application to use the previously mentioned materials
8 at the Spring Dale pit, that would require an
9 amendment to the service mine permit that they have.

10 In our estimation, it would be a major
11 amendment to that permit. That means that we would
12 be essentially in the place that we were with the
13 development of the general permit in the sense that
14 there would have to be a public review of that and an
15 opportunity of public discussion, etc.

16 CHAIRMAN ARGALL: How long can that take?

17 SECRETARY MCGINTY: Well, it can take --
18 probably on the short side, it can take eight months
19 or six to eight months. On the longer side, some of
20 these things become controversial and it can take
21 longer than that.

22 I don't know if there's any specific rule
23 of thumb with regard to major modifications to
24 permits. It all depends on how complex the situation
25 is and how much analysis needs to be done.

1 As you know in this case, there are not
2 only technical issues that have to be looked at and
3 satisfactorily resolved, there are financial issues.

4 The applicant would have to show and indeed
5 secure bonds sufficient to address any environmental
6 issues that might be involved in the application.

7 So how long that takes we couldn't
8 prescribe. I guess I'm just saying that it would
9 not be a minor modification. There would be some due
10 process that would unfold upon submission of an
11 application.

12 CHAIRMAN ARGALL: And you have no idea when
13 the potential permittee may make such an application?

14 SECRETARY MCGINTY: I do not. The
15 potential permittee has indicated his interest
16 obviously. That's why he pursued the general permit,
17 but I do not know if they have an application in hand
18 or if they don't or what have you. I'm not aware of
19 any time line from the potential applicant.

20 CHAIRMAN ARGALL: But the shortest period
21 you think it could occur in would be eight months?

22 SECRETARY MCGINTY: I guess I don't want to
23 be held on the record to that. I'm just saying that
24 this is not a minor modification. It would not be
25 accomplished over night. There would be public

1 process associated with it as there are with every
2 major permit application.

3 CHAIRMAN ARGALL: That gives me a little
4 more time to get the bill out of the Senate and onto
5 the Governor's desk.

6 SECRETARY MCGINTY: It isn't done yet,
7 Mr. Chairman.

8 CHAIRMAN ARGALL: You heard loud and clear
9 on Monday that, I don't know how many hundred or thousand
10 people were in that room, but should such a permit be
11 applied for that it's certainly my desire and the
12 desire of my constituents that you would say no.

13 Mr. Evans.

14 REPRESENTATIVE EVANS: No questions,
15 Mr. Chairman.

16 CHAIRMAN ARGALL: Representative Frankel?

17 REPRESENTATIVE FRANKEL: Thank you,
18 Mr. Chairman.

19 Good morning, Miss Secretary.

20 SECRETARY MCGINTY: Good morning.

21 REPRESENTATIVE FRANKEL: You might think
22 that after the tone of the questions so far this
23 morning there weren't any friendly voices here, but I
24 do want to speak and again congratulate you and the
25 Governor on this initiative.

1 Contrary to some of the previous comments,
2 I do not think it is regressive to be looking for
3 revenue from folks who have toxic emissions, residual
4 waste, or out-of-state trash, particularly when we're
5 talking about transforming Pennsylvania.

6 When I look at it, you talked about
7 southwestern Pennsylvania in particular. The status
8 quo which just isn't acceptable and the status quo
9 from Pennsylvania has kept us at the bottom of the
10 barrel in terms of job growth and the investment in
11 this country. I think it's time we need to look for
12 a vision that is transforming.

13 When I look at my own community in western
14 Pennsylvania and at the communities through Monoghan
15 Valley in Brownstown, western Pennsylvania, these
16 brown fields these communities that have been
17 condemned for decades now to a perpetual decline in
18 their populations, a lack of investment and a
19 shrinking tax base that basically guarantees they
20 will never climb out of their depressed status.

21 We need something dramatic that will help
22 transform these communities. We've seen it in the
23 City of Pittsburgh as our riverfronts have been
24 transformed.

25 We have seen the remediation of the brown

1 fields and getting them ready for development that
2 has taken place.

3 We have half a billion worth of development
4 taking place right now on our riverfronts, and that
5 type of vision can help the entire Monaghan Valley
6 and many older industrial towns, gray fields
7 throughout the state.

8 If the status quo was so good, I think
9 Pennsylvania would be looking a little different than
10 it does today. I don't believe it's regressive to
11 look at these sources of revenue. I intend to
12 support it. I hope my colleagues will as well.

13 I think many of them can read what you want
14 to do is correct it, but, of course, we need to pay
15 for it.

16 This makes some sense to me and hopefully
17 encourage older industrial firms, companies, to come
18 to this state to maybe update their manufacturing
19 process to produce less toxic emissions and residual
20 waste.

21 So I just wanted to give you a friendly
22 word that you aren't alone in this process here this
23 morning. We intend to support these initiatives.
24 Thank you very much.

25 SECRETARY MCGINTY: Thank you very much.

1 All things are relative. I am actually finding the
2 tone of discord this morning quite pleasant.

3 CHAIRMAN ARGALL: Representative Dally.

4 REPRESENTATIVE DALLY: Thank you, Mr.
5 Chairman.

6 That's what I was going to say. I think
7 this was much more cordial than last time. I've been
8 sitting with a smile on my face since you came into
9 the room.

10 Anyway, my question is what impacts with
11 the additional, the toxic emission fee and residual
12 waste fee, and I have explored this with other
13 members of the administration.

14 I have a cement company in my district that
15 corresponded with me indicating it's going to cost
16 them an additional \$300,000 in taxes and fees.

17 Now, the Associated Press reported on the
18 10th of December a study that was released about what
19 they call the beleaguered manufacturing industry and
20 what the DCD secretary said in that article, the
21 first thing we have to do is stop the losses. Until
22 we stop the bleeding, it's tough to grow the
23 industry.

24 What am I missing? Is there some new
25 economic theory that says higher taxes and higher

1 fees improve the manufacturing sector and improve
2 employment? How do you justify these additional
3 things?

4 SECRETARY MCGINTY: Well, I think that
5 every business needs infrastructure on which to
6 operate just to take some of the basics. If you do
7 not have shovel-ready sites, those businesses cannot
8 be maintained or grow or attract new businesses.

9 REPRESENTATIVE DALLY: But isn't it true,
10 Madam Secretary, it is a lot easier to maintain an
11 existing business in this state and help that
12 business prosper than to attract a new business to
13 Pennsylvania?

14 SECRETARY MCGINTY: Well, I think both --

15 REPRESENTATIVE DALLY: I'm saying we have
16 to do both.

17 SECRETARY MCGINTY: Sure. I think staying
18 in this competitive climate is a challenge and
19 something we all need to work together. Again, I
20 think it is a comprehensive picture.

21 To come back to the Chairman's question for
22 a second, that cement company I hope will be able to
23 benefit from the fact that we did make the
24 determination that cement film dust can be used
25 beneficially in abandoned mine reclamation.

1 That provides a huge opportunity for those
2 businesses, one, to avoid these fees, don't send the
3 dust to a landfill and for us to achieve ecological
4 gain by hopefully making some strides and achieving
5 some of these abandoned mine reclamation.

6 REPRESENTATIVE DALLY: Boy, that sounds
7 promising. The last hearing that was held I asked
8 you a question concerning the lien of property.
9 There was a remediation at a waste tire pile site.

10 Since that time, I noticed that the
11 property is now listed for sale for \$80,000 an acre.
12 I'm wondering what is happening with your Department
13 to follow through on that?

14 SECRETARY MCGINTY: Following up on our
15 discussion, I am aware that we have been crafting
16 that legislation and very much support it. We are
17 hoping it would move --

18 REPRESENTATIVE DALLY: It's passed.

19 SECRETARY MCGINTY: Well, the legislation
20 I'm talking about is legislation that would give us
21 the authority to put a lien on that property.

22 REPRESENTATIVE DALLY: That's already law.

23 SECRETARY MCGINTY: I will compare notes to
24 see if it's a different statute that we're talking
25 about.

1 REPRESENTATIVE DALLY: That was passed last
2 session.

3 SECRETARY MCGINTY: Our understanding is
4 that was still proposed. Mr. Laten? That was
5 Representative Yudichak's piece of legislation we
6 thought was being referred to.

7 REPRESENTATIVE DALLY: It's already in the
8 law. I explored this with Deputy Secretary Conrad of
9 your office --

10 SECRETARY MCGINTY: Okay.

11 REPRESENTATIVE DALLY: -- and sent numerous
12 correspondence on it. He indicated it was not
13 lenient until the remediation was completed. As I
14 expressed to you, my concern was what happens if the
15 property is sold prior to the lien?

16 SECRETARY MCGINTY: Sure.

17 REPRESENTATIVE DALLY: I would suggest you
18 would get on this issue because it is important to
19 the people in my district.

20 SECRETARY MCGINTY: Sure. I would be happy
21 to do that.

22 REPRESENTATIVE DALLY: Next thing, the
23 recycling fee. A few years back, there is a
24 situation in the City of Allentown where they were
25 shipping their waste out of state and not paying any

1 fees.

2 Now, are there any instances in this
3 Commonwealth where you have communities that are
4 collecting grant money out of the recycling fund but
5 not paying anything into it?

6 SECRETARY MCGINTY: Well, the fees are paid
7 by the haulers. It's a tipping fee. It is paid by
8 those who are depositing the --

9 REPRESENTATIVE DALLY: If that waste is
10 going out of state --

11 SECRETARY MCGINTY: Yes, if it was going
12 out of state but it would not be subject to these
13 tipping fees.

14 REPRESENTATIVE DALLY: So those communities
15 now are collecting money from our recycling fund but
16 not paying anything into it?

17 SECRETARY MCGINTY: I suppose if a
18 community was 100 percent sending its waste out of
19 state, its municipal solid waste out of state, then
20 it would not be subject to the waste fees, that's
21 correct; or if you had a community who was sending
22 its waste 100 percent -- and I don't think we have
23 them -- 100 percent to municipal waste incinerators,
24 they have already been exempted from these fees. In
25 that instance, you would also have a situation there.

1 The recycling -- the 902 grant program is a
2 repayment grant. It's a repayment grant in the sense
3 that it reimburses for expenses that a community has,
4 in fact, may be instituting a recycling program
5 whether it's the trucks or the bins or the other
6 hardware. It is for real costs incurred by that
7 community pursuant to Act 101.

8 REPRESENTATIVE DALLY: Thank you, Madam
9 Secretary.

10 CHAIRMAN ARGALL: Representative Wheatley?

11 REPRESENTATIVE WHEATLEY: Thank you,
12 Mr. Chairman.

13 Good morning, Madam Secretary.

14 SECRETARY MCGINTY: Good morning.

15 REPRESENTATIVE WHEATLEY: This has been a
16 very interesting and informative discussion on how or
17 if we are increasing the possibility of supporting
18 manufactured growth for companies or if we are, in
19 fact, harming them.

20 I think I've only heard one other Rep, and
21 I think it was Representative Fleagle, who talked
22 about the human impact that this may be -- the fees
23 may or may not have.

24 My question is when I started -- I'm
25 looking in on toxic release components. I was

1 wondering if, one, me not being an environmentalist,
2 if you can help me understand the releases that make
3 the federal toxic list and if there is any -- to your
4 knowledge, any human impacts to that release.

5 I know this does not concur with the amount
6 of release. I am hoping -- the second part of my
7 question is: Do you think that this type of increase
8 in fees may be a way to incentify the industry to
9 figure out other ways in coming together so that
10 we're not harming people's health since we don't want
11 to talk about creating a universal health system?

12 We're not harming people's health and we're
13 not putting people in a condition to make their
14 quality of life condition suffer because we are
15 interested in helping protect business. I want to
16 help protect business as well, but I'm invoking that
17 people in my area will get jobs in these companies
18 and hoping these companies will provide full coverage
19 to the health benefits to them.

20 I was wondering if you could talk to me
21 about that, about the human capital investment that
22 this may or may not have.

23 SECRETARY MCGINTY: Well, it's a good point
24 but I would just say that the toxics release
25 inventory is well named -- I'm sorry, toxic materials

1 that we are talking about. They pose a threat at
2 some level to human threat and the environment.

3 So as you are well aware, not only in our
4 urban communities but certainly in our urban
5 communities, we have seen, for example, escalating
6 rates of asthma.

7 In fact, I think it is still correct to
8 say -- I haven't seen the latest statistics but the
9 leading or among the leading reasons why a child
10 misses a day of school today in and around the United
11 States is because of severe asthma attacks.

12 In looking at schools with my children the
13 other day and talking to the school nurse and hearing
14 some unbelievable percentage of the children who
15 leave the inhalers at the nurse's office and the
16 schools have to invest now in having a nurse on duty
17 all the time because of those incidents and those
18 attacks.

19 There's a very real human equation. I
20 think you're right to bring us back to that, as well
21 as look at the numbers. Those healthcare cost
22 numbers are exacting a big toll as all.

23 REPRESENTATIVE WHEATLEY: Thank you.

24 CHAIRMAN ARGALL: Representative Baker?

25 REPRESENTATIVE BAKER: Thank you,

1 Mr. Chairman.

2 Allow me to continue on that same topic, if
3 you will. Will the businesses on that toxic release
4 inventory list be subject to the new fee for all
5 emissions or just emissions above the permitted
6 levels?

7 SECRETARY MCGINTY: Yes, just above. It's
8 not a permit that is involved, but there are
9 specifications in the federal law that establishes
10 thresholds only above and beyond which a company is
11 required to report.

12 REPRESENTATIVE BAKER: Okay. And clarify
13 for me, if you will, that we currently have a Federal
14 Outdoor Clean Air Act in place.

15 Is it true that what you are seeking to do
16 is to impose a tax fee on emissions that in effect
17 already comply with the Federal Outdoor Emissions
18 Act; is that true?

19 SECRETARY MCGINTY: These fees attach to
20 emissions that either are not subject to permit
21 requirements or even if for other Clean Air Act
22 requirements the facility is in compliance, that's
23 true.

24 REPRESENTATIVE BAKER: Okay. So I think
25 you can clearly see the concern of many manufacturing

1 and businesses that it's particularly those that have
2 already expended millions of dollars to comply with
3 the Outdoor Federal Clean Air Act that they see this
4 as punitive, because they have already spent millions
5 in some cases to comply with federal law; and now
6 we're going above and beyond federal law by imposing
7 in many cases a punitive tax on emissions that are
8 legal from a federal standpoint, but are now going to
9 be taxed at the state level.

10 I think there's a very -- this is a very
11 important distinction, because some of our
12 constituents think this fee is being imposed on
13 illegal emissions and it's not. These are legal
14 emissions that this tax is being imposed upon.

15 SECRETARY MCGINTY: That is exactly true;
16 but in that case, it is in keeping with the fee
17 structures that have traditionally been imposed.
18 It's not illegal to throw out trash, but we have
19 imposed fees on that trash because the legislature
20 thought it's a conclusion to attach to pay for some
21 of these programs.

22 You are correct the fees attached is not a
23 statement that someone is out of compliance, but it
24 is in keeping with the same legality of throwing out
25 trash but a fee attaches to that action.

1 REPRESENTATIVE BAKER: I certainly
2 understand your position, and I certainly understand
3 also the position of our job creator and our labor,
4 because I think it is really going to lead to a loss
5 in manufacturing and jobs.

6 I'm hoping this is going to be negotiated
7 out in the budget process. As we proceed, will there
8 be any exemptions for certain companies? I have
9 heard there may be.

10 SECRETARY MCGINTY: As the Governor has
11 outlined and we have been putting on our website and
12 testimony, first of all, only entities that are
13 currently required to report under federal law
14 subject potentially to the fee.

15 If you are not in that category and it is
16 not every kind of entity that is required, then you
17 would simply not be required here.

18 Second, if the materials in question are
19 being beneficially reused, for example, in the
20 residual waste context, if you are a generator of ash
21 from a power plant and that ash is used for land
22 reclamation, you would not be subject to the residual
23 waste fee.

24 I think -- let me just highlight a
25 statistic there. I think it's accurate to say that

1 some 40 percent overall residual waste numbers in
2 Pennsylvania are ash. That means as some have said,
3 gee, but we look at the residual waste numbers and we
4 multiple by four, we get a much higher number. That
5 is accepted.

6 REPRESENTATIVE BAKER: Madam Secretary, my
7 time is running out. Could you clarify that this
8 only applies to toxic emissions or air emissions, or
9 is this also going to impact releases to water or the
10 ground?

11 SECRETARY MCGINTY: The latter. The toxic
12 release inventory covers ambient emissions. It's
13 releases into the environment.

14 REPRESENTATIVE BAKER: So this is going to
15 apply to air emissions and ground emissions and water
16 emissions?

17 SECRETARY MCGINTY: As reported currently
18 on the toxic release inventory, it's in keeping with
19 exactly what is required under federal law, no more,
20 no less. Well, actually less in terms of beneficial
21 use.

22 REPRESENTATIVE BAKER: That darn buzzer.
23 Thank you, Madam Secretary.

24 Thank you, Mr. Chairman.

25 SECRETARY MCGINTY: Thank you.

1 CHAIRMAN ARGALL: Thank you for honoring
2 it.

3 Representative Sturla?

4 REPRESENTATIVE STURLA: Thank you,
5 Mr. Chairman.

6 Thank you, Madam Secretary.

7 SECRETARY MCGINTY: Thank you.

8 REPRESENTATIVE STURLA: I'm a little
9 perplexed. I haven't found out where the lobbyist
10 from New York City is that's been running around the
11 state.

12 Everybody who is opposed to the tipping
13 fees kind of boggles my mind as a business person.
14 If for every dollar I put in somebody else put in a
15 dollar, I would be a pretty happy camper.

16 I look at these tipping fees and I know
17 that 50 percent of all of our waste generated in
18 Pennsylvania comes from out of state.

19 So every time we increase the tipping fee,
20 when I put in a dollar that goes to a program in my
21 state, somebody from out of state puts in a dollar
22 also.

23 As I understand it, we are the largest --
24 we are the largest importer of trash of any state in
25 the nation. I think second is Virginia. The last



1 time I saw the figures, we were still importing more
2 than twice as much trash as Virginia was.

3 I think that the fees are such that we
4 could raise that tipping fee not just another \$5 but
5 another \$15 and still get just as much trash as we
6 are getting now.

7 My question to you is: Other than the sort
8 of easy ten second political sound bite of gosh, you
9 raised the fee \$15, why wouldn't we want to raise
10 this more so we have three times as much money for
11 Pennsylvanians to use in our programs that are
12 benefiting Pennsylvanians when I'm only paying 50
13 cents on the dollar.

14 SECRETARY MCGINTY: Let me just say two
15 things. One is that even if the numbers fluctuate as
16 we've seen fluctuation, I can't think of another
17 funding source that enables us to pick up some
18 substantial percentage of the tag from operators out
19 of state and not from Pennsylvania residents.

20 The second point I guess I would say is the
21 Governor has said, and I will say this, before that
22 should there be alternative ways to achieve the
23 objectives of saving the Brown Fields Program,
24 preserving open space, etc., he is very open to
25 listening to ideas that may have been brought to the

1 table.

2 REPRESENTATIVE STURLA: I'm perplexed on
3 this one, because if my municipality is going to get
4 back more money than I pay in my trash fee and they
5 don't have to raise my tax fee at all, even though
6 they are paying it because they getting that amount
7 back in a recycling program or anything else and
8 somebody else out of state is still chipping in
9 money, I don't know why I don't want to do that
10 program.

11 You said, sure. It makes sense. I just
12 don't know why my colleagues, unless there is a
13 lobbyist from New York City running around here
14 saying don't dare raise our fees. For me, it's a
15 win/win as a Pennsylvania citizen.

16 SECRETARY MCGINTY: We still have very
17 substantial daylight between what the overall fees
18 would be in Pennsylvania and what they would be for
19 New York City trash, for example, or New Jersey.

20 REPRESENTATIVE STURLA: Okay. Thank you.

21 CHAIRMAN ARGALL: Representative McGill?

22 REPRESENTATIVE MCGILL: Thank you very
23 much.

24 Good morning, Madam Secretary.

25 SECRETARY MCGINTY: Good morning.

1 REPRESENTATIVE MCGILL: With all due
2 respect to my perplexed legislator, your number has
3 us as at 46 percent coming in out-of-state trash, 45
4 in 2001 and 47 in 2002 and a projected number down to
5 41.

6 While I do appreciate the fact that we like
7 those numbers, it is simply supply and demand. I
8 think one of the reasons that you heard today a
9 number of the questions on trash is because you
10 raised trash the last time.

11 When you do and when you open it up, I'm
12 amazed to hear the people that come back to me and
13 ask me questions based on that. We go to our staff
14 and try to pull some numbers.

15 Let's face it, you want an \$800 million
16 bond. Recognizing that, we have to make sure you
17 paid for that \$800 million bond. I think that the
18 best dialog is important in what we're here for.

19 What concerns me is in your last time here
20 you stated that even with the increase in the tipping
21 fee, Pennsylvania would still be lower than New York
22 and New Jersey.

23 SECRETARY MCGINTY: Right.

24 REPRESENTATIVE MCGILL: And in our numbers
25 -- and again, I could be mistaken. We used the

1 Chartwell data from October of 2003. I'm not an
2 expert. They tell me that the industry standard is
3 based on this, and those numbers have us at 56/82.
4 New Jersey at 60 and New York is at 53. New York has
5 been dropping.

6 Those new increases will put us over the
7 top of New Jersey and New York with respect to the
8 tipping fee. So you have to ask the first question
9 of why would people want to bring trash to
10 Pennsylvania when it will be less expensive to dump
11 it in those other two states.

12 Again, these are numbers you're going to
13 have to verify back to us. We take them from an
14 industry. You have to say, no, you're all wrong or
15 the industry is wrong; but that's the first point.

16 Then we get an, oh, by the way, that Ohio
17 is 29/25 per ton with no out-of-state restrictions.
18 Now, if I'm you, I'm very concerned because if I'm
19 hearing -- I don't know if you know Ohio is 29/25.
20 If I'm you, I'm extremely concerned.

21 On the other hand, I'm going to go to the
22 Secretary of Transportation and say, please, please
23 put tolls along Interstate 80 because that's the
24 direction the trash is going to be going, because we
25 might as well make money on our highway use because

1 we're certainly not going to make it with people
2 tipping.

3 I'm not as much looking for an answer. I
4 mean, these are real numbers that we have. If you
5 can justify that our numbers are wrong, I would love
6 you to do it so that we can all be on the same page,
7 because the reality of it is it's a lot of money
8 you're asking us to appropriate for the fund.

9 It's a legitimate question to ask you how
10 you're going to be able to pay it back. If this is
11 the method that you're going to pay it back, we need
12 more justification on how.

13 Now, we put ourselves at the top. We got a
14 guy in another state who is half the price. Have you
15 seen these things?

16 SECRETARY MCGINTY: The relevant comparison
17 in terms of New York is New York City. The rest of
18 New York City trash doesn't come to Pennsylvania.
19 The numbers are considerably higher for New York and
20 going north.

21 As you know, they closed down their major
22 landfill. That's where the issue is with
23 Pennsylvania and it's really a New York City
24 comparison. Where our numbers come from are from the
25 announced figures from New York City itself.

1 REPRESENTATIVE MCGILL: What is the city
2 number?

3 SECRETARY MCGINTY: It was in the 60s, but
4 I don't know the number exactly off the top of my
5 head.

6 REPRESENTATIVE MCGILL: But if we're in the
7 60s and Jersey is in the 60s, isn't it just as easy
8 to run it to Jersey?

9 SECRETARY MCGINTY: We don't believe we
10 would be in the 60s of what the state is proposing,
11 as well as an average of what the overall tipping fee
12 is. I'm happy to look at the --

13 REPRESENTATIVE MCGILL: Our numbers right
14 now are 56 but add 5.

15 SECRETARY MCGINTY: No. I would say that
16 56 number is high from what I have seen in the data
17 that has been presented to me.

18 REPRESENTATIVE MCGILL: Is there a way we
19 can compare data --

20 SECRETARY MCGINTY: Sure.

21 REPRESENTATIVE MCGILL: -- so we're kind of
22 on the same page because, you know, that is what the
23 intensive dialogue is about, and hopefully we can
24 come to some kind of an acceptable number that we
25 will go with.

1 SECRETARY MCGINTY: I think we need to do
2 that. I think it would be very valuable.

3 REPRESENTATIVE MCGILL: Thank you very
4 much.

5 CHAIRMAN ARGALL: I would like to follow
6 up, if I may. If New York City trash as a result of
7 these increased fees began going to somewhere else in
8 New York state, I think my constituents would be
9 quite happy. You don't see that happening as a
10 result of this proposal?

11 SECRETARY MCGINTY: Well, that has not been
12 the case to date. I think as the Representative was
13 suggesting in other years where we may have seen some
14 suggestion -- it's not actual data -- pointing
15 towards a transition there, Ohio may have been in
16 play; but then you have to factor in the
17 transportation cost.

18 As we all know, those transportation fuels
19 are literally at record high prices right now. I
20 think that would be very relevant in not over
21 predicting that we could see some surge of trash out
22 of state or circumvent Pennsylvania on its way to
23 Ohio.

24 CHAIRMAN ARGALL: Would the New York
25 landfills have the capacity to take additional New

1 York City trash should they make that decision?

2 SECRETARY MCGINTY: Landfills proximate to
3 New York City, again, taking into account the
4 transportation costs either are at capacity or, in
5 fact, has been closed. That has not been an option
6 for New York City to date.

7 CHAIRMAN ARGALL: Representative Rohrer.

8 REPRESENTATIVE ROHRER: Thank you,
9 Mr. Chairman.

10 Madam Secretary, another couple of
11 questions here. In thinking through some of the
12 discussion we've had, I'm having some difficulty
13 coming to grips with some of the explanations.

14 Back to the businesses again that we're
15 talking about earlier that would be impacted by the
16 tax on the emissions which right now are legal and
17 we're going to basically say they're not legal so we
18 can tax them again.

19 I really kind of fail to understand how the
20 Department or yourself could be determining that that
21 tax is going to be viewed by those businesses as
22 their an investment.

23 SECRETARY MCGINTY: Well --

24 REPRESENTATIVE ROHRER: And not -- and not
25 when they have to absorb or pass along that cost, not

1 make them far less competitive. I'm thinking
2 particularly of entities that would have multiple
3 locations.

4 There are many businesses that would be a
5 part of this that have locations in other states and
6 they're here too. And companies look at it from
7 dollars and cents. There are fixed costs, and there
8 are costs of doing business. Taxes already are high
9 in this state. We know that.

10 This simply becomes one more major tax on
11 some of them. I think it's impossible for anyone to
12 objectively say that those companies that have
13 location here and elsewhere would not say, well, I'm
14 not going to be doing anything more in the
15 Pennsylvania location. They may not shut it down
16 tomorrow, but they're sure not going to grow it.

17 I mean, there's no -- there's no business
18 way or an economic way of looking at this
19 consideration saying that, yeah, they're going to be
20 glad they're going to expand because they're now
21 having an opportunity to invest more, which is simply
22 more of the tax and we're already taxed too high.

23 Can you comment?

24 SECRETARY MCGINTY: Sure. We see
25 applications for economic development projects. We

1 go out and chase after them actually everyday. One
2 of the big issues to a business being able to expand
3 or relocate in Pennsylvania, water infrastructure,
4 the ability to tap in to current water
5 infrastructure.

6 REPRESENTATIVE ROHRER: The problem -- I
7 don't want to interrupt you on that because of the
8 time again, but those are new locations. Those are
9 primarily new businesses coming here. We have -- the
10 first thing we have got to do is to stop the bleeding
11 and to keep those that we have.

12 SECRETARY MCGINTY: Sure.

13 REPRESENTATIVE ROHRER: It's really having
14 access to water is not an issue that we heard about
15 with businesses that are here.

16 SECRETARY MCGINTY: Yes, sir, we do.

17 REPRESENTATIVE ROHRER: We have to be able
18 to exist within our tax structure.

19 SECRETARY MCGINTY: Yes. If you look at
20 our only integrated steel manufacturing facility in
21 Pennsylvania, the issue for them being able to stay
22 in the business in Pennsylvania right now, we're not
23 talking about expansion, we're only talking about
24 them being able to use their current plant capacity
25 and not have them consolidate their operations in

1 Ohio, it's all about water infrastructure and water
2 treatment capabilities.

3 If we had to not have to have the economies
4 of scale and the state being able to finance that
5 infrastructure or emergency response infrastructure,
6 each business would have to build their own, that
7 would be an enormous financial burden on a business
8 for many reasons.

9 REPRESENTATIVE ROHRER: There may be an
10 exception that you're talking about there in a
11 particular case, but it sure is not the rule across
12 this state.

13 I think -- I would tend to disagree with
14 the analysis on that and that we should look at the
15 assessment of a new tax or a fee and have it be
16 construed as an investment.

17 We can invest people to death. If we
18 follow that perspective, then we may triple and
19 quadruple if investment is what they want. It would
20 turn out to be greater, but there comes a point where
21 your investment does not produce a return.

22 When our companies are already moving and
23 already losing jobs, it would seem to me that perhaps
24 we ought to call the investment what it is, a tax,
25 and look for something else in order to do.

1 I have another question to conclude with
2 this. The whole issues we're talking about, the
3 whole Growing Greener II, the plan that you and the
4 Governor laid out, we're trying to come to grips with
5 what it really is. We had a lot of discussion about
6 what it may do and it's a synergistically put
7 together package that is a comprehensive package, and
8 if businesses only knew what they were gaining on the
9 one side, they wouldn't have a problem to offer up
10 their taxes.

11 On the other side, if the consumer thought
12 they understood that they would have to pay more on
13 the tipping fee and knowing what they would gain on
14 the other side, all of these things sound really
15 pretty good.

16 We're awfully short on details and how the
17 funds are going to be spent, how the debt is going to
18 be handled and allocated, and probably just as much
19 on the what as the who and who is going to make the
20 determination on who becomes the beneficiaries. This
21 is a big thing you're talking about.

22 SECRETARY MCGINTY: Sure.

23 REPRESENTATIVE ROHRER: When could you tell
24 us that we would have the kind of details that we
25 have to make our decision?

1 SECRETARY MCGINTY: This chart among two or
2 three other charts have been on your website since
3 days after the Governor's announcement.

4 It goes through dollar by dollar of exactly
5 where the bond initiative would be expended and the
6 fees once raised would be expended and even down to
7 the dollar signs in terms of which department, how
8 much financial resources, and here are all of the
9 programs that are listed that the money would be
10 invested in.

11 What is also on the website is a complete
12 delineation of the fees, both the categories and the
13 dollar signs.

14 We have made presentations now to numerous
15 Chambers of Commerce, to the local business
16 representations, to the local civic organizations.

17 This material has been public since days
18 after the Governor's speech, but I'd be happy to get
19 into as much detail, and obviously we came to work
20 this hopefully to a legislative package as quickly as
21 possible.

22 REPRESENTATIVE ROHRER: I appreciate that.
23 I say that I would think all of that is good, but I
24 don't think it's sufficient to answer the question,
25 which is why there are so many questions remaining

1 here. I think we need to go back to this.

2 CHAIRMAN ARGALL: Final question,
3 Representative Dally.

4 REPRESENTATIVE DALLY: Hello again.

5 SECRETARY MCGINTY: Hello.

6 REPRESENTATIVE DALLY: Under the existing
7 Growing Greener Program, there's a fee that is
8 assessed, \$5, \$4.

9 SECRETARY MCGINTY: \$4.

10 REPRESENTATIVE DALLY: The \$4 fee is
11 assessed. One of my bodes of contention with the
12 existing law is that Northampton County, we have
13 three landfills and \$20,000 a day is received for
14 Growing Greener.

15 It's always been my contention that the --
16 those communities are the ones that are bearing the
17 brunt of the impact of those facilities. I think
18 there should be some preference given to the
19 communities in Northampton County, especially those
20 that are directly impacted for Growing Greener money.

21 I wondering if you could provide to me or
22 the Committee a list of Growing Greener grants by
23 county and also the amount of money that is generated
24 within the county.

25 SECRETARY MCGINTY: Very happy to do that,

1 yes. It's easily generated. Yes.

2 REPRESENTATIVE DALLY: Thank you.

3 CHAIRMAN ARGALL: I would like to thank the
4 members for the questions today; and certainly, Madam
5 Secretary, thank you for your answers, as well as
6 your commitment that you will provide the follow-up
7 information to any of those questions that you are
8 unable to answer today.

9 We're certainly looking forward to further,
10 as Representative Rohrer noted, crunching the data,
11 as some of my professors would say. We will continue
12 to dig deeper to a few of your suggestions, as well
13 as some of those other options that may be available
14 to us.

15 We continue to hear -- as least some of us
16 continue to hear that the negative impact of the tax
17 increases is very real. We want to be sure that
18 we're doing the right thing for the environment, as
19 well as the employers who are competing everyday with
20 overseas manufacturers.

21 My guess is that question alone may be one
22 of the most important questions that this Committee
23 will grapple with in terms of the Governor's entire
24 list of suggestions.

25 I will continue to work with Representative

1 Evans and all of the members of this Committee and
2 the Administration as we try to reconcile these
3 needs. Thank you.

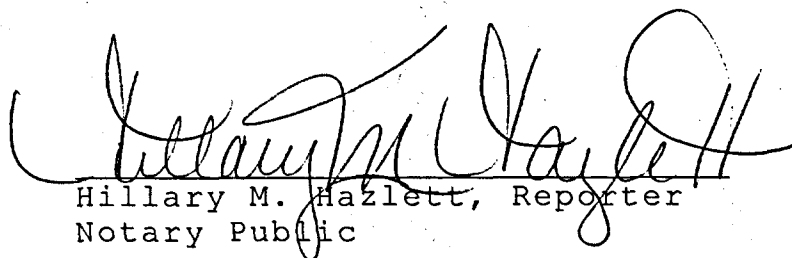
4 SECRETARY MCGINTY: Thank you,
5 Mr. Chairman.

6 CHAIRMAN ARGALL: We stand adjourned.

7 (The hearing concluded at 10:54 a.m.)
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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the
3 notes taken by me on the within proceedings and that
4 this is a correct transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

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