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Marcellus impact fee proposal in the works

By Brad Bumsted TRIBUNE-REVIEW *Saturday, March 26, 2011*

HARRISBURG — Republican senators will introduce legislation to impose a fee on Marcellus shale drillers in a few weeks, in an effort to offset costs municipalities experience dealing with the growing natural gas industry, a top Senate staffer said on Friday.

Senate President Pro Tempore Joe Scarnati of Jefferson County, the party's highest-ranking senator in the GOP-controlled General Assembly, could be lead sponsor of the bill, said his chief counsel Andrew Crompton.

Counties where drilling occurs would benefit the most monetarily, but lawmakers likely will try to compensate contiguous municipalities, Crompton said. Those municipal boundaries could cross county lines, he said, so "contiguous counties could well get money."

Lt. Gov. Jim Cawley said yesterday a shale advisory panel he chairs will report to Gov. Tom Corbett in 120 days and include a recommendation on assessing a local impact fee to help municipalities defray costs such as road repairs and first responder units.

Corbett has said he would consider a fee to help local government finances. But the money should not go to the state, he said.

The Senate might produce a different interpretation. Scarnati "believes local needs are paramount, but knows that there needs to be a statewide portion, likely for 'Growing Greener' projects and/or hazardous site cleanup," Crompton said.

Cawley said the administration would not impose a severance tax on gas extraction, and the Marcellus Shale Advisory Commission wants evidence of damage that's occurring from drilling operations.

"We want to understand what the actual impact is," he said.

It's not clear whether the full Senate would vote on a bill before the commission concludes its work. Crompton said senators do not want to usurp the commission, but Scarnati senses urgency among local government officials and doesn't want to wait until fall to address it.

The commission will consider a range of issues, such as environmental impacts and the extent to which natural gas eventually could be used to fuel state vehicles, prisons and schools, Cawley said.

Corbett's critics have said the commission's makeup is industry-heavy. It includes drilling company executives, business representatives, six members of Corbett's cabinet, a member of the Public Utility Commission,

http://www.pittsburghlive.com/x/pittsburghtrib/news/regional/print_729211.html

environmentalists, local government officials and the governor's energy executive, Patrick Henderson.

"This is a very interesting group of cheerleaders," Virginia Cody of Wyoming County told the panel during its first meeting.

Joanne Fiorito, who lives near drilling sites in that county, said she moved there "to be at peace with nature."

"You have ripped my American dream apart, and I am appalled and outraged," she said.

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