

Testimony Prepared by Andrew Heath, Executive Director of the Renew Growing Greener Coalition, for the Marcellus Shale Co-Op Meeting

Good evening. I am Andrew Heath, Executive Director of the Renew Growing Greener Coalition, the state's largest coalition of recreation, conservation and environmental organizations. On behalf of the Coalition, I would like to thank Rep. White for inviting me here this evening to address the Marcellus Shale Co-Op at this public hearing and to speak to you on Pennsylvania's most successful bi-partisan environmental program ever, Growing Greener, and to provide my thoughts on the Impact Fee/Severance Tax discussion currently taking place across the Commonwealth.

When Governor Ridge first signed Growing Greener into law in 1999, no one could have imagined the profound impact it would have on our environment, our economy and our way of life. No one could have predicted the impact this essential initiative would have over the past 12 years.

In 2005, Governor Rendell expanded this program by creating Growing Greener II, a bond initiative that infused an additional \$625 million worth of investments into our communities over a five year period. Unfortunately these funds have all been committed, leaving only the original Growing Greener I Environmental Stewardship Fund still active today.

The Growing Greener Environmental Stewardship Fund is a statewide program that provides funds to communities and non-profit organizations to help restore and protect local watersheds, clean up abandoned mines, preserve and acquire farmlands and open spaces, and lessen non point source pollution from entering waterways. Growing Greener also provides funds for maintaining our award-winning state park system, for heritage conservation and for the development of multipurpose trails, greenways and parks in our communities.

The core of Growing Greener is funding grassroots efforts to repair, restore and conserve our land and water resources at the local level. At the heart of the program are the local groups who volunteer their time and energy like the watershed organizations who walk the banks of a small creek or stream to do cleanups.

Our challenge today is to keep those local efforts going. Most people, and many legislators, are not aware that when Growing Greener was expanded in 2005 under Governor Rendell with the bond initiative, the program was structured in such a way that up to \$60 million from the Growing Greener Environmental Stewardship Fund would be used to pay the debt service on the Growing Greener II bonds. This is causing a catastrophic depletion of Growing Greener funds.

The Environmental Stewardship Fund receives its revenue from the state's "tipping fee" – the fee we charge to dump trash in Pennsylvania's landfills. Estimated revenue from the "tipping fee" for next year is approximately \$70 million. Of the estimated \$70 million coming into the Growing Greener Environmental Stewardship Fund, \$42.5 million (60%) is being diverted from investments in our environment, conservation and recreation to paying the Growing Greener II Bond debt service, leaving only \$27.4 million (40%) for Growing Greener grants and projects. This is a reduction of over 80% from the \$150 million average annual amount available for grants and projects over the last six years.

It is critical that the General Assembly identify funding sources for this program immediately – and the most obvious one at this time would be through a Severance Tax or Impact Fee on natural gas drilling. A natural gas extraction fee allows a state to recover value from the extraction of a non-renewable natural resource that will be used in other states. Pennsylvania is the only major gas producing state without a fee.

The fact is, the gas industry is not going to leave Pennsylvania because the state imposes a fee. The gas is here, and they will be working this region for decades to come. Currently, almost half our state forests are leased to the industry for drilling. That is an impressive investment from both the state and the natural gas industry. They are here to stay.

The Governor's Commission on Marcellus Shale Gas Drilling recently recommended proposing an extraordinarily narrow impact fee – one that requires local governments to prove that they have experienced specific, tangible damages. Although the coalition supports a portion of a fee going back to local communities, it is absurd to think the mark left by the enormous scope that drilling will have on our Commonwealth can be defined within local municipal borders.

The impacts of drilling go far beyond roads and bridges. The very way of life will be impacted across the Commonwealth, in both negative and positive ways. There is no doubt we will see economic development, job creation and business opportunities – but the question is “at what expense?”

With the construction of well pads, impoundments, roads, pipelines and other infrastructure, plus the actual drilling and fracturing of the wells – we will forever be changing the landscape of the state. We must keep in mind that neither air nor water pollution respect municipal boundaries. Drilling wastes are being trucked and disposed of all over the Commonwealth and Pennsylvania citizens have already lost access to large areas of our public forest. Thousands of industrial sites are being added each year, scattered across some of the most rural and pristine areas in our state.

How do you quantify the degradation of environmental quality in terms of streams and river health, forest and farmland integrity and rare species reproduction? For these reasons, all Pennsylvanians deserve to benefit from the extraction of their resource just as Arkansas, West Virginia, Louisiana, Texas, Mississippi, Oklahoma residents and residents of other gas drilling states do. Several legislative proposals provide good models for enacting a reasonable fee with revenue going to local communities, Growing Greener, and broader uses that benefit all Pennsylvanians. Rep. White I commend you for proposing a portion of your impact fee proposal going to Growing Greener directly, although I would respectfully argue the percentage is not high enough.

Depleting the Environmental Stewardship Fund at this moment in our state's history is frightening, because the Environmental Stewardship Fund is the lifeblood of Growing Greener.

We can sometimes get so distracted with dollars and cents discussions that we miss the bigger picture. We miss opportunities to do “the right thing.” Unfortunately Pennsylvania has a legacy of failure when it comes to natural resource extraction. I fear we have not learned our lessons from what happened with the timber industry, the oil industry and especially the coal industry.

Not only should Growing Greener be funded because it makes sense, and it is the right thing to do, it also adds to the economic vitality of the Commonwealth.

As Governor Corbett noted during his kayak trip through Northeastern Pennsylvania, Pennsylvania's state parks alone generate more than \$928 million in local spending and support more than 12,000 local jobs. What the Governor did not mention is that many of these state parks have received Growing Greener funding.

In addition, Growing Greener has been a powerful funding source for Pennsylvania's Heritage Areas. Spending by visitors to these areas generates more than \$400 million in sales and contributes at least 6,000 jobs to the Pennsylvania economy.

Other examples of how Growing Greener benefits the economy include:

- **Supporting Agriculture** – By funding farmland preservation projects, Growing Greener helps sustain Pennsylvania's agriculture industry. Agriculture produces more than \$45 billion annually and provides about one in seven jobs in the state, making it Pennsylvania's leading industry.
- **Reducing Costs** – Growing Greener has funded the clean up of more than 16,000 acres of abandoned mines and in doing so has reduced water treatment costs locally and in downstream communities. Studies show that open space saves local governments and utilities millions of dollars in costs associated with drinking water filtration, air pollution removal and flood control.
- **Supporting Forest Products Industry** – Growing Greener funds support forest conservation, which in turn helps sustain the resources on which the forest industry depends. This industry has sales in excess of \$16 billion annually, a total impact of \$27 billion and employs more than 80,000 people.
- **Bolstering Tourism Industry** – Growing Greener funds have preserved 42,300 acres of natural areas and open spaces, many of which provide recreational opportunities for residents and visitors alike. Outdoor enthusiasts spend more than \$5.4 billion in the Commonwealth annually.

Drilling in Pennsylvania has the potential to negatively impact each of these critical areas.

Rep. White, as a citizen of this amazing Commonwealth, one of my greatest concerns about this entire discussion is that somewhere along the way we have lost sight to the fact that we are a Commonwealth – we share our Common wealth and we share our Common burdens. When we disrupt our state forestlands with deforestation or degrade our landscape with towering wells and massive structures, the right thing to do is conserve and enhance lands elsewhere. We are heading down a dark path, trying to isolate revenue, isolate impacts and isolate benefits. We have a history of trying to balance our destruction with conservation – why change that now? If we begin to isolate certain sections of the state away from others, what will our future hold as a Commonwealth? Will the Southeast demand to keep a greater share of the state's income tax? Will municipalities hosting casinos fight to keep a greater share of its revenue? Will municipalities hosting the landfills

collecting the tipping fees for the statewide Growing Greener Environmental Stewardship Fund fight to keep a greater share of its revenue?

Above all, for direction we need to go no further than the Pennsylvania State Constitution, Article 1, Section 27:

'The people have a **right** to clean air, pure water, and to the preservation of the natural scenic, historic and aesthetic values of the environment. Pennsylvania's public natural resources are the common property of all the people, including generations yet to come. As Trustees of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.'

It's right there, in black and white, and we must not forget that these resources belong to all the people, including future generations yet to come and we shall conserve and maintain them.

We know from experience that the health of our environment is directly related to the health of our economy. That is why counties, cities, towns and boroughs from across the Commonwealth have chosen to voice their support for Growing Greener. They have seen directly the impact that Growing Greener has had on their communities, and they know how essential a healthy environment is to attracting new residents and businesses. To date, more than 90 municipalities and counties have passed resolutions urging the Governor and legislature to renew Growing Greener funding. Twenty-two counties have passed resolutions, including Washington, Greene, Fayette, Westmoreland, Indiana, Somerset, Cambria and Blair.

What would the environmental health of Washington County be had it not been for Growing Greener funding? Over \$1.1 million from the Department of Environmental Protection to plug 30 abandoned wells. Over \$2.2 million from the Department of Agriculture to preserve over 1,200 acres of farmland. Almost \$1 million to improve Buffalo Creek. Over \$1.3 million from the Department of Conservation and Natural Resources to rehab and build new community parks, greenways and trail systems. Where would the region be without the Great Allegheny Passage? In all, over \$7.8 million for projects within Washington County to improve streams, air quality and communities. It is for this reason, and many others, that it is imperative that we all work together to ensure that this fiscal year is not the last for Growing Greener and that we continue to fight for the future of Pennsylvania.