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April 9, 2013

Dear Representative,

**On behalf of the undersigned organizations and their members, we are writing to ask you to oppose House bills 301-309: the so-called “Marcellus Works” package of legislation that will broadly subsidize the use of natural gas in the Commonwealth.**

In order to protect our environment and public health, we must stop subsidizing and increasing our reliance on dirty fossil fuels.

The concept that natural gas is good for our environment is false—studies by the National Academy of Science showed that “a shift to compressed natural gas vehicles from gasoline or diesel vehicles leads to greater radiative forcing of the climate for 80 or 280 years, respectively, before beginning to produce benefits.”<sup>[1]</sup> This is on top of the ongoing air and water pollution, toxic waste issues and loss of property the gas drilling industry has already contributed to across the Commonwealth.

This legislation directly goes against many of the mantras espoused in the halls of the legislature: How often do we hear that the role of government is not to “pick winners and losers?” How often do we hear about the need for greater fiscal restraint and saving taxpayers money?

Unfortunately, this package of bills is both “picking a winner” without justification, and fiscal lack of restraint by profligate spending of taxpayers’ money.

House bills 301-309 helps corporate giants like ExxonMobil, Chevron, Shell and BP get their products into the Pennsylvania marketplace—corporations that arguably need the financial assistance less than anyone else in the Commonwealth.

Some of these proposals are particularly egregious, including:

**House Bill 304:** This legislation sets mandates for purchases for the Commonwealth’s larger mass transit agencies (SEPTA, the Port Authority and LANTA in the Lehigh Valley). Instead of Harrisburg making these decisions, we should allow these agencies to use their expertise to decide—about what’s economically best for their fleet, about the cleanest sources of public transit, and about what is cost effective for the agencies and their riders.

**House Bill 306:** In its current form, HB306 would effectively end the AFIG (Alternative Fuels Incentive Grant) program as we know it for all alternative fuel sources except natural gas. This does a disservice to a program created by Republican legislators in 2004 (Sen. Tomlinson was the primary sponsor of Act 178), and a program championed by longtime House member Ellen Bard. To reduce this program to nothing more than a taxpayer handout for some of the largest corporations on the planet does a disservice to the program and the legislators who championed its origin.

**House Bill 301, 305 and 309:** These bills essentially provide a set of taxpayer funded subsidies to the oil and natural gas industries, adding up to \$180 million in specialized tax breaks and incentives for natural gas consumption over the next three years.

Lastly, this is the worst type of corporate welfare: policies meant to help some of the largest, dirtiest companies on the planet get their products into the marketplace. For example, the oil giant ExxonMobil's reported net income for the fourth quarter of 2012 was \$9.95 billion, up 6 percent from the year before. <sup>[ii]</sup> Shell reported \$7.3 billion in profits during the same time period, <sup>[iii]</sup> while Chevron Corp posted a larger-than-expected rise in quarterly profits for the same time period, with net income at \$7.2 billion. <sup>[iv]</sup> According to the IMF, overall fossil fuel companies receive over \$1.9 trillion per year in direct subsidies. <sup>[v]</sup> Do these companies really need the sort of corporate welfare promoted by the "Marcellus Works" plan? Does the legislature really need to spend time on this type of package of legislation when there are so many more pressing issues facing the Commonwealth?

Ironically, this legislation gains tractions on the heels of the legislature slashing budgets for DEP, killing legislation that would assist the Commonwealth's suffering solar energy providers (HB1580 of the 2011-2012 session), and gutting energy conservation standards in the Commonwealth (Act 1 of 2011) in recent years.

***For these reasons, we call upon the legislature to oppose House Bills 301, 302, 303, 304, 305, 306, 307, 308,-309.***

Please do not hesitate to contact David Masur at PennEnvironment ([DMasur@PennEnvironment.org](mailto:DMasur@PennEnvironment.org)) or by phone (215-732-5897 or 267-303-8292) with any questions about this legislation. We look forward to continuing our work together to protect Pennsylvania's environment.

Sincerely,

David Masur, PennEnvironment Director  
Berks Gas Truth, Karen Feridun, Founder  
Clean Air Council, Joe Minott, Executive Director  
Clean Water Action, Steve Hvozdoch, Marcellus Shale Coordinator  
Conservation Voters of Pennsylvania and Conservation PA, Josh McNeil, Executive Director  
Damascus Citizens for Sustainability, Barb Arrindell, Director  
Delaware Riverkeeper Network, Maya van Rossum, the Delaware Riverkeeper  
Earthworks Oil & Gas Accountability Project, Nadia Steinzor, Eastern Program Coordinator  
Food & Water Watch, Sam Bernhardt, Pennsylvania Organizer  
Gas Drilling Awareness Coalition, Carol Culver, Executive Board Member

GreenPeace USA, Phil Radford, Executive Director  
Mountain Watershed Association, Beverly Braverman, Executive Director  
Pennsylvania Public Interest Research Group (PennPIRG), Phineas Baxandall, Director for Tax and Policy  
Physicians for Social Responsibility-Philadelphia, Cherie Eichholz, Executive Director  
Shale Justice, Susan Laidacker, Executive Committee Member  
Sierra Club Pennsylvania Chapter, Thomas Au, Conservation Chair

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<sup>[i]</sup> <http://www.pnas.org/content/early/2012/04/02/1202407109.abstract>

<sup>[ii]</sup> [http://www.nytimes.com/2013/02/02/business/energy-environment/refining-helps-profit-at-exxon-mobil.html?\\_r=0](http://www.nytimes.com/2013/02/02/business/energy-environment/refining-helps-profit-at-exxon-mobil.html?_r=0)

<sup>[iii]</sup> <http://www.bbc.co.uk/news/business-21272203>

<sup>[iv]</sup> <http://www.reuters.com/article/2013/02/01/us-chevron-results-idUSBRE9100PP20130201>

<sup>[v]</sup> <http://www.imf.org/external/np/pp/eng/2013/012813.pdf>