



RECEIVED JUL 29 1993

## Pennsylvania State Association of Township Supervisors

July 27, 1993

Honorable Thomas R. Caltagirone  
House of Representatives  
Main Capitol Building  
Harrisburg, PA 17120

Dear Representative Caltagirone:

This correspondence is in regard to your invitation to testify at the hearing on Senate Bill 307, the proposed "antitrust" legislation. Although we are interested in this legislation, we will be unable to appear at the hearings. However, we would wish to present the following comments.

For your information, we worked closely with Senator Lewis and his staff on our concerns with Senate Bill 307 when it was first introduced. Our issues were addressed to our satisfaction, and we have supported the passage of this proposal.

Senate Bill 307 would place into statute language to prohibit actions that would restrain trade and potentially cost local governments more to provide services to their constituents. The bill would make it illegal to perform any activity that would lessen competition or tend to create a monopoly. Similar actions were taken several years ago when the state passed the Antitrib-rigging Act, to prevent two or more unscrupulous suppliers from inhibiting competition.

Although this act has helped local officials to purchase materials and services from a truly open market, the proposed antitrust legislation would close the loophole.

As Senate Bill 307 is written, political subdivisions and local officials acting in their official capacities would receive governmental and official immunity. This is nothing new in the field of antitrust. We would ask that this protection remain in the legislation.

We also support provisions in the bill to allow a political subdivision to pursue a violator of the law for damages and costs. All too often, a small municipality may not attempt to recover damages from a violator because the legal costs may outweigh the potential damage award. This provision is important for local governments, and we urge that this section not be changed.

**Pennsylvania State Association  
of Township Supervisors**

Rep. Caltagirone

- 2 -

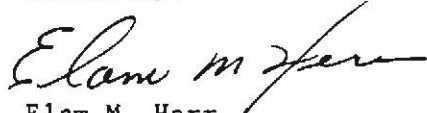
July 27, 1993

Finally, we support the bill's provisions to allow the political subdivision to request the state attorney general to bring action on its behalf. Although this provision will benefit all political subdivision, small municipalities will benefit the most from such assistance.

The Association supports Senate Bill 309 in its current form, and we urge the committee's support for this legislation.

We again thank you for giving us an opportunity to comment on this legislation.

Sincerely,



Elam M. Herr  
Director of Legislation

EMH:dk