



**LEAGUE OF WOMEN VOTERS[®]
OF PENNSYLVANIA**

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**WRITTEN STATEMENT TO THE HOUSE CONSUMER AFFAIRS COMMITTEE
HB 1817 – Natural Gas Interstate Compact
September 8, 2010**

Thank you for holding the hearing on an issue of growing importance to our Commonwealth – the need for a natural gas interstate compact. Presently, the permitting and siting of interstate natural gas pipelines, including those for liquefied natural gas (LNG), fall under the jurisdiction of the Federal Energy Regulatory Commission (FERC). To issue a certificate of operation across state lines, FERC must find the project is in the public interest, and that, over all, the benefits of the project outweigh adverse impacts.

The creation of a natural gas interstate compact, as delineated in HB1817, has several advantages over the current process. The proposed legislation is consistent with long-standing League positions that promote grass-roots involvement, civic participation, public input in decision-making, an informed citizenry, and transparency.

First, the compact provides for a regional rather than a federal governing process for delineating a distribution corridor or approval, location, and construction of cross-borders natural gas pipelines. Bringing decision-making closer to the local level, may enable the process to operate more effectively and encourage grass-roots participation.

Second, public notice provided by such a compact is broader and more inclusive than that of FERC. The compact clearly complies with public notice for informational meetings and public hearings as specified by the laws of participating states. Additionally, the compact requires publication of pipeline applications in two newspapers of the involved counties. FERC only provides direct notice or contact with to landowners and communities that are directly affected by pipelines running across their property. Adjacent municipalities, individuals who use the land for recreational purposes, and landowners in close vicinity of the pipeline but not abutting the right-of-way need to take the initiative to check notices in the Federal Register and in the local newspaper. If timelines are missed, the right to intervene is lost.

Third, public hearings under the proposed compact, promote authentic public involvement. In FERC pipeline certification cases, there are no “trials” or live hearings. Instead, parties submit written arguments and evidence of experts. FERC may disregard testimony submitted by

interested parties and make decisions based on its own experts or those of the industry – provided the agency has “substantial” evidence. Under the compact, the council adopts rules and regulations to ensure free and open participation of the public and interested parties.

Fourth, civic participation is integral to the process detailed in the compact. Members of the public are actively involved not only through commenting on proposed pipeline locations, but also serving on the advisory committee and assisting in the development of a regional strategic plan.

Fifth, transparency is embedded in the compact through publishing applications on internet websites, publishing an annual report, and compiling, publishing, and distributing, with or without fees reports, bulletins, newsletters or other documents as it deems appropriate. Detailed written minutes of all meetings and hearings of the council are maintained, under the compact, in conformity with the Freedom of Information Act. Such provisions protect the citizen’s right to know and facilitate informed citizen participation in government decision-making.

Beyond upholding basic tenets of the League of Women Voters, two other provisions of the compact are noteworthy in regard to requirements placed on applicants.

First, applicants need to include reasonable alternative routes in their applications. This provides broader options for decision-making and extends the potential impact to a wider community. There have been instances, under FERC, when pipeline routes change during the certification process. Bypassed properties can become ultimate pipeline locations. This has become a problem if property owners, unaware of this possibility, fail to intervene at the time of the initial plan and lose their ability to challenge the revised pipeline path.

Second, applicants need to consider specific safety issues, including public health, in statements submitted to the Council. This extends factors currently considered by FERC for certification. The inclusion of non-generic safety factors by the industry will bolster the League’s position statement on Marcellus Shale Natural Gas Extraction that supports the maximum protection of public health and the environment in all aspects of natural gas production.

In examining other aspects of the proposed compact, the League has several issues for your consideration:

- Given that this legislation would create an interstate compact, what role, if any, will the Independent Regulatory Review Commission have in the rulemaking process?
- The parameters of enforcement may need to be clarified. Article III, Section 3.3 Voting, subsection (5) relates to the council having the power to make and enforce rules and regulations as it deems necessary regarding implementing the provisions of the compact and effectuating its purposes. While the Council should clearly have the authority to make rules

and regulations as it deems necessary, does the council have the right to enforce or not to enforce such rules and regulations as it deems necessary, too? Is this adequate?

- It may be problematic to supersede provisions that are in conflict with the compact as included in provisions, limitations and restrictions of state law or rule. Given inherent differences between laws in participating states, the power of the council to preempt may not always be in the best interest of the public. To provide maximum protection of public health and the environment, the compact should incorporate the most comprehensive and stringent laws among the participating states.

Finally, as you reflect on this legislation, we request that you further review the process by which pipelines, both gathering lines that collect gas from individual wells and larger pipelines that run within the state, are certified for construction and operation within the Commonwealth. Given the massive infrastructure inherent in natural gas extraction from Marcellus Shale, this is imperative to Pennsylvania's future.

The League of Women Voters of Pennsylvania is appreciative of this opportunity to provide input into this legislation. HB 1817 is consistent with our position statement on Marcellus Shale Natural Gas Extraction that insures public input in decision-making regarding the location of facilities and related pipelines and promotes transparency throughout this process.