

Doug McLinko, Chairman
Daryl L. Miller, Vice Chairman



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Bradford County Commissioners Office

February 26, 2015

Honorable Gene Yaw
Senate Box 203023
362 Main Capitol Bldg.
Harrisburg, PA 17120-3023

Dear Chairman Yaw:

Thank you for letting us share with you the good news of natural gas and the blessing that has come upon Bradford County in the last few years, and discuss the utilization of the impact fee.

Bradford County has seen prosperity like never before. Early in the development, we witnessed the gas industry rebuilding our roads at a cost of hundreds of millions of dollars. We experienced charitable giving like never before with family farms saved and small businesses opened and expanded. We have seen the expansion of good paying, family sustaining jobs, a decrease in public assistance cases and the lowest unemployment rate in our history.

With all that good news and the incredible growth in Bradford County that the industry was creating, we initially did not support the impact fee. We called a County Convention with all the municipalities and a member of the PUC, our State Representatives and Senator to further discuss the impact fee and its implications so that we did not make a decision that would hurt the industry that had already done so much for us. As a County, we discussed the impact fee and sent a letter of intent to all of the municipalities asking them to vote to either opt in or out. After much discussion and debate, we as a county voted to opt in.

Our decision to opt in brought a large allocation of funds that has allowed Bradford County to implement several new programs that we feel is in the best interest of our community. One of the new programs created by the Bradford County Commissioners is a new innovative funding program with Act 13 funds that is administered by the County and the Progress Authority. The Bradford County Infrastructure Bank (BCIB) provides low-interest loan financing to support Bradford County-wide infrastructure projects and is intended to leverage and bridge-finance other private, local, state and federal funding resources. The BCIB seeks to fund projects that advance infrastructure improvements which support economic development and public safety in rural Bradford County.

There are many advantages to the Bradford County Infrastructure Bank. The first is at the County level which has the advantage of county-directed funding; the opportunity to fast-track projects; and County led project management services. There are also advantages at the Municipal level which include: the possibility to leverage additional funds from other local, state and federal sources; low interest rate; and a streamlined approval process.

Another program that the Commissioners have determined meets the best interests of the communities and residents of Bradford County is a new grant program using Act 13 funds. Through the grant application process, the County trusts that funds will be allocated to meet the most pressing needs of the County while providing for future growth consistent with recognized local and regional plans.

The purpose of this is to focus on impacts and opportunities associated with the Marcellus Shale industry by creating family sustaining employment opportunities and fostering economic development throughout the county. This program is open to local governments, nonprofit organizations, private enterprise with municipal sponsors and public authorities. The 2015 proposed amount is \$1.8 million, with categories including community investment, economic development, environmental initiatives and public safety grants.

To the greatest extent possible, the funds will be allocated to fill funding gaps and be used to leverage other federal, state and local funding. It is our hope to create economic diversity in a rural area, and enhance the livability of communities throughout the county.

The funding also allowed us to enhance our 911 towers and radio communication equipment to provide enhanced communication to our first responders and emergency personnel. During the highest impact period of the Marcellus Shale development, the enhanced communications were extremely important for the safety and well being of industry workers as well as the first responders.

In closing, the industry pays more taxes than is reported in the news. These taxes are being paid in all parts of the state including liquid fuels, sales, income, cooperate and local real estate. To tax the industry more is incredibly irresponsible. With the passage of the impact fee, there was a 20% reduction in rig count state wide. The impact that a severance tax would have on rural Pennsylvania jobs and the harm that would come to communities far outweighs the benefits of an additional tax being levied on the industry. With natural gas prices at historic lows, it makes even less sense.

While the industry rebuilt many rural roads, the impact fee funds have allowed rural townships to maintain and upkeep the roads. Taking the impact fee from the municipalities would crush many rural townships. Although we did not support the impact fee at the beginning, seeing that the industry now is paying at the state level what they once did locally, to lose it now would be a problem for Bradford County and all of rural Pennsylvania.

Thank you for your time.

Sincerely,



Doug McLinko, Chairman
Bradford County Commissioners



Daryl Miller, Vice Chairman
Bradford County Commissioners

cc: Honorable Scott Hutchinson, Pennsylvania State Senate
Honorable John Yudichak, Pennsylvania State Senate
Honorable Rob Teplitz, Pennsylvania State Senate
Members - Senate Environmental Resources & Energy
Members - Senate Local Government