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Pennsylvania Manufacturers' Association

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RE: Regulation #7-536: Air Quality Fee Schedule Amendments

The Pennsylvania Manufacturers' Association adamantly opposes the proposed "Air Quality Fee Schedule Amendments – Regulation #7-536" before the Pennsylvania Independent Regulatory Review Commission.

On March 27, 2019, the Pennsylvania Department of Environmental Protection (DEP) sent the proposed regulation to the Independent Regulatory Review Commission (IRRC), and subsequently published the proposed changes in the PA Bulletin on April 13, 2019. The federal Clean Air Act sets specific emission requirements and authorizes states to collect fees from sources required to obtain operating permits. The state Air Pollution Control Act authorizes the DEP to set these fees by regulation and can be found in Chapter 127 of Title 25 of the Pa. Code. The DEP is currently requesting a significant increase in these fees, which they anticipate will raise an additional \$15.5 million per year. This is just one application and annual fee increase as there are others proposed by DEP on the IRRC docket for approval, totaling \$23 million per year.

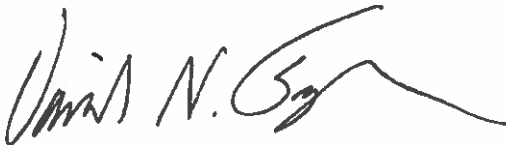
While the federal Clean Air Act authorizes the Department to formulate fee schedules, the unprecedented increases in the proposal before IRRC seem excessive. The cost of this \$15.5 million per year increase will be paid on the shoulders of our commonwealth's taxpayers and businesses, hampering growth, and ultimately threatening the effectiveness of the programs. Not only will this increase the cost of doing business in Pennsylvania for our members through the direct payment of increased fees, but it will also cost our members in additional taxation for the municipalities in which they operate to comply with the new application and annual fee rate increases. Economic impact is a factor of consideration that IRRC must examine when reviewing regulation application and annual fee increases.

Most disconcerting, it is our understanding that the Department of Environmental Protection has initiated fee increases such as this one in order to stabilize the funding for overall departmental operations because of volatile funding by the General Assembly. Fees for programs should be commensurate with the deployment of said program and not used to sustain or increase overall departmental funding. The overall funding of any state department of agency is a matter of the General Assembly and the Governor as the fiscal year budget is negotiated.

The public good that comes from regulations is compliance. The Department of Environmental Protection ought to act as a partner in achieving compliance rather than pricing businesses and municipalities out of progress, improvement, and innovation.

It is for these reasons that the Pennsylvania Manufacturers' Association adamantly opposes the proposed "Air Quality Fee Schedule Amendments – Regulation #7-536" before the Pennsylvania Independent Regulatory Review Commission.

Respectfully submitted,



David N. Taylor
President & CEO



Carl A. Marrara
Vice President of Government Affairs