



Testimony

Submitted on behalf of the  
Pennsylvania Chamber of Business and Industry

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**Informational Hearing on Permitting Reform**

Before the:  
**Senate Environmental Resources and Energy Committee**

Presented by:  
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Chairman Yaw, Chairman Yudichak, members of the Senate Environmental Resources and Energy Committee,

Thank you for the opportunity to testify before you this morning on behalf of the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth. Our nearly 10,000 member companies are comprised of businesses of all industries and range in size from sole proprietorships to Fortune 100 companies.

In addition to growing the economy and employing millions of Pennsylvanians, our members are committed to stewardship and the responsible development and use of natural resources, and the PA Chamber has long sought to provide thoughtful policy solutions to state government as governors and the General Assembly work to balance these shared goals. It is vital to the health of the state's economy and to the protection of its environmental resources that the Department of Environmental Protection has the resources to develop and implement timely, predictable permitting programs that produce durable decisions. The Governor and legislative leaders of both sides of the aisle have recognized this. We have applauded the bipartisan efforts to improve the tax, regulatory and legal climate this session, and we have applauded Gov. Wolf and Secretary McDonnell for their efforts to reduce the permit backlog, institute e-permitting and provide more certainty to those who seek permits. But there is much more work to be done.

The private sector has long been a partner to government, assisting the executive branch to deliver a host of important functions, including the design of roads and bridges, providing IT and legal solutions to state agencies, and delivering health care services. In particular, public-private partnerships in the transportation space allowed PennDOT to leverage the Act 89 funds to quickly and effectively tackle an emerging public safety issue – the hundreds of structurally deficient bridges – by working with the private sector on solutions. This program has been highly successful and is a national model for how the public and private sectors can work together. Providing contracted technical assistance for the technical review of environmental permits should be the next successful partnership between private industry and government in order to deliver a stronger economy, a better protected environment and a government that works for all of its citizens.

We support legislation that allows the Department to provide for expedited review of a limited scope of permits and authorizations. It is important that any such legislation include the following:

- 1) be optional for the applicant,
- 2) address potential conflicts of interest on the part of the qualified licensed professional,
- 3) institute predictable timeframes for the applicant, qualified licensed professional and DEP, and
- 4) allow DEP to concentrate resources on mission-critical actions that protect the environment, such as compliance, education and training.

By contracting with qualified licensed professionals, the Department can have more certainty with respect to its permitting decisions, which are frequently challenged by litigious third-parties. This raises an important point. A considerable amount of Department staff time and resources are committed to both the upfront review of permits and the ensuing litigation challenging them. The Department has done an excellent job defending its permitting decisions, and we commend them for it. But we also encourage this committee – and, more broadly, the General Assembly – to support reforms to the permit appeals process. Too often, issues that were never raised in a public comment period are thrown in to the briefs challenging the agency's decision. Simply put, we believe if an issue is important enough to sue DEP over, it is important enough to have been brought up in

public comment. Therefore, we also support legislation being drafted by Senator Bartolotta to reform how appeals are brought before and considered by the Environmental Hearing Board.

Finally, as it relates to resources, we encourage this committee to understand that about **four-fifths** of the agency’s resources come from the federal government, permit fees and fines. The General Fund share has consistently been about **one-fifth** of the agency’s budget for the past several administrations. With this in view, we want to highlight two other important trends as it relates to agency resources. First, taking a look at the “all-in” picture, DEP has about \$100 million more budgeted resources on hand than it did in 2011. However, DEP has about 300 fewer staff. We surmise that this is a product of higher staff salary and benefit costs, including pensions, which were agreed to as part of negotiated pay and benefit schedules.

Second, while the total amount and share of federal resources has fallen over the past decade, understand this is coming from baseline years in which large amounts of federal stimulus money were driven to DEP for temporary spending. That aside, a considerable amount of the agency’s work does involve implementing delegated federal requirements, which often come without sufficient resources. We do not believe it is sustainable for the agency to attempt to pay for on-going expenses on the backs of the regulated community through increasing permit fees. We are supportive of having the federal government provide the necessary resources to the agency to implement these requirements – particularly if there is in fact a federal infrastructure bill.

	2018-19 (budgeted)	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>General Fund</b>	\$157,058	\$148,801	\$150,846	\$144,999	\$141,488	\$127,931	\$126,814	\$134,236
<b>Federal Funds</b>	\$219,625	\$217,881	\$218,228	\$193,050	\$193,145	\$188,909	\$233,675	\$261,992
<b>Other Funds</b>	\$309,965	\$314,627	\$295,673	\$279,573	\$263,788	\$248,671	\$277,458	\$196,639
<b>DEP Total Budget</b>	\$724,947	\$721,893	\$698,779	\$651,437	\$634,362	\$601,688	\$661,199	\$622,044
<b>General Fund as % of Total</b>	22%	21%	22%	22%	22%	21%	19%	22%
<b>Federal as % of Total</b>	30%	30%	31%	30%	30%	31%	35%	42%
<b>Staff complement</b>	2,494	2,461	2,554	2,702	2,696	2,722	2,784	2,784

Dollars in thousands, source: Past Budgets 2018-19 to 2006-7, [www.budget.pa.gov](http://www.budget.pa.gov)

Our desire is that the agency maximize what resources it has by turning to licensed professionals to aid in the technical review of permits, which will allow more resources to be devoted to training and developing staff and more time spent going into the field and ensuring everyone is playing by the rules. An important component of this may include reviving the Office of Compliance Assistance and Pollution Prevention, which held educational events throughout the state to advise small businesses on ways to comply with regulations, reduce waste and improve energy efficiency.

The business community is willing and ready to serve as a partner to state government, as we have over many decades. The PA Chamber is supportive of an agenda that provides the Department with the resources and contracted technical assistance to ensure timely, durable permitting decisions.

Thank you for the opportunity to present our perspective on this important matter, and I look forward to answering any questions you may have.