

COMMONWEALTH OF PENNSYLVANIA

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SENATE OF PENNSYLVANIA
ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE

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HEARING TO CONSIDER NOMINATION
OF JOHN QUIGLEY AS SECRETARY OF DEPARTMENT
OF CONSERVATION AND NATURAL RESOURCES

* * * * *

Before:

SENATOR MARY JO WHITE, chairman

SENATOR EDWIN B. ERICKSON, vice chairman

SENATOR RAPHAEL J. MUSTIO, minority chairman

SENATOR JOSEPH B. SCARNATI, III, ex officio

SENATOR LISA BAKER

SENATOR ELDER A. VOGEL, JR.

SENATOR DONALD C. WHITE

SENATOR GENE YAW

SENATOR ANDREW E. DINNIMAN

SENATOR BARRY J. STOUT

SENATOR ANTHONY H. WILLIAMS

* * * * *

Date: June 25, 2009, 9:00 a.m.

Place: North Office Building, Hearing Room

Harrisburg, Pennsylvania

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Pennsylvania State Senate

SENATOR PATRICIA VANCE

Department of Conservation and Natural Resources

JOHN GUILLEY, ACTING SECRETARY

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1 CHAIRMAN WHITE: We'll call this meeting of the
2 Senate Environmental Resources Committee to order. The
3 purpose of today's meeting is to hear testimony on the
4 nomination of Mr. John Quigley as secretary of
5 Department of Conservation and Natural Resources. Good
6 morning, Mr. Quigley.

7 MR. QUIGLEY: Good morning.

8 CHAIRMAN WHITE: Thank you for rearranging your
9 schedule to accommodate the change in session time. I
10 appreciate that. The chair recognizes Senator Vance
11 for introduction.

12 SENATOR VANCE: Thank you, Madam Chairman. I'm
13 delighted to introduce my constituent John Quigley. He
14 really has a varied background. When you look at his
15 resumT, it's amazing. He has done many, many things.
16 He started out as a Main Street manager in an economic

17 development, then was an elected position as the mayor
18 of Hazleton, and actually wrote a weekly public affairs
19 column for the local newspaper, and was an evening
20 instructor of economics at the Hazleton campus of Penn
21 State.

22 He has steadily moved up the ranks in his time with
23 DCNR. He started as the director of operations and, as
24 you know, he is now the acting secretary. So I'm
25 pleased to present him to the committee. Thank you

1 very much.

2 CHAIRMAN WHITE: Thank you, Senator. Mr. Quigley,

3 did you have an opening statement?

4 MR. QUIGLEY: I do, Senator, just briefly. Senator

5 Vance, thank you for the introduction. Madam

6 Chairperson and distinguished members of the committee,

7 it's an honor to come before you this morning as

8 Governor Rendell's nominee for Secretary of DCNR.

9 I do have a prepared statement, but in the interest

10 of time what I would like to do is summarize it for

11 you, just emphasize a few key points.

12 First, since assuming the position of acting

13 secretary on April 6th, I've come to have an even

14 deeper appreciation for the women and men of DCNR who

15 are deeply committed to our mission and who are among

16 the finest public servants in this or any state. I've

17 appreciated the opportunity to meet individually with

18 the members of the senate. I'm grateful for the time

19 and courtesy that has been extended to me.

20 I came to DCNR a little more than four years ago,

21 drawn by the Governor's commitment to positioning

22 natural resource conservation essential to sustainable

23 economic growth in the Commonwealth, by the dynamism

24 and collaborative spirit of my predecessor Michael

25 DiBerardinis and by the agency's visionary action plan

1 entitled Shaping a Sustainable Pennsylvania. It calls
2 for DCNR to act not only as the stewards for our state
3 parks and forestlands, but as the lead agency for land
4 conservation and outdoor recreation and the critical
5 player in economic growth and community revitalization.

6 Across the state, communities are turning to their
7 natural resources, our states magnificent public
8 forests and state park system that is among the
9 nation's finest, to improve the quality of life of
10 their citizens, to become more competitive for jobs and
11 residence, and as the basis for sustainable economic
12 development initiatives. DCNR is helping to lead these
13 efforts and the bipartisan work of the Governor, the
14 members of this committee, and the General Assembly as
15 to Growing Greener II has provided an unprecedented
16 level of resources to support them.

17 This work was demonstrated -- has demonstrated the
18 importance of our state's natural resources and their
19 conservation to shaping a sustainable, healthy, and
20 prosperous future for our state.

21 I'm committed to continuing this vitally important
22 work.

23 In appointing me as acting secretary, Governor
24 Rendell asked me to continue DCNR's tradition as a
25 fearless land manager and to continue executing our

1 action plan. In recognition of the challenge of
2 climate change, the single biggest threat to our
3 natural heritage, our economy, and public health, he
4 also asked me to continue the work that I've done
5 within DCNR to implement and identify opportunities for
6 the Commonwealth to take the lead in the commercial
7 deployment of carbon capture storage technology. This
8 technology has the potential to substantially reduce
9 state's carbon dioxide emissions, allow for continued
10 use of Pennsylvania coal resources while cleaning our
11 air, and has the potential to create thousands of
12 research and development, manufacturing, construction,
13 retrofit and indeed export jobs in the Commonwealth.
14 I look forward to working with this committee as we
15 complete the work required to DCNR by the landmark Act
16 129 that you passed last year. Along those lines, I

17 would like to commend Senator Erickson for his

18 sponsorship of Senate Bill 92, as well as

19 Representative Vitali, Ross, and DePasquale for their

20 sponsorship. These proposals provide essential support

21 for capturing storing technology in Pennsylvania.

22 I'd like to close by touching on the subject that

23 has been at the center of our conversations recently,

24 the state budget and its impact on DCNR.

25 This is clearly not an easy time for any of us, and

1 certainty less of an optimal time to be a nominee for a
2 cabinet position. For my part, I believe it's my duty
3 to provide the Governor, the members of the General
4 Assembly, and our citizens with honest, accurate
5 information about DCNR's budget and the impact of
6 proposals affecting it.

7 Over the last six and a half years the Governor has
8 challenged all state agencies to do more with less.
9 Indeed, as we meet here today, the budget for our state
10 parks system is \$2 million less than it was in 2002,
11 seven years ago. 70 percent of the parks budget and
12 80 percent of forestry agency budget accounted for by
13 personnel costs. Substantial reductions to an already
14 very lean operating budget can have no other impact
15 than a reduction in public services.

16 I will do my best to continue to provide the most

17 accurate analysis possible as we confront the current

18 economic crisis. And as Senator Vance indicated, I've

19 had the privilege of serving as an elected official and

20 I know fully the very difficult choices that you face.

21 Each of you has my respect and my gratitude for

22 entering the arena.

23 I appreciate your consideration for my nomination

24 and look forward to working with you to meet both the

25 challenges we have in front of us and the opportunities

1 that lie ahead. Thank you.

2 CHAIRMAN WHITE: Thank you, Mr. Quigley. We will

3 submit your complete comments for the record that were

4 submitted. I appreciate your abbreviating them

5 somewhat so that we have time for questioning.

6 We are joined today by the president pro tem of the

7 senate, Lieutenant Governor Scarnati. Since he has

8 another committee meeting I believe I will do him the

9 courtesy of letting him begin the questioning.

10 LIEUTENANT GOVERNOR SCARNATI: Thank you, Madam

11 Chairman. Certainly, John, I had a great opportunity

12 to meet with you in my office several weeks ago. I

13 think we had a lively discussion. I had, I think, a

14 very good working relationship with your predecessor,

15 Secretary DiBerardinis, who I was able to work closely

16 with. As a member of the senate, I have all and parts

17 of eight counties that have tremendous amounts of the
18 state land, state parks in those eight counties, so I'm
19 extremely sensitive to the issue of state parks.

20 You seem, to me, to be a man that knows your
21 business, a man that certainly supports our state park
22 systems, supports what DCNR's mission is. But the
23 water that DCNR is carrying for the Rendell
24 administration and the press releases and the
25 statements that have been put out are shameless.

1 Shameless to put out statements that state parks are
2 going to close under this budget battle that we're in.
3 In 2000 and, I believe it was, 2003, Governor Rendell
4 cut 10 million out of DCNR's budget. We never heard a
5 press release. We never saw a statement that a state
6 park, services, garbage isn't going to be hauled out,
7 lifeguards is going to be laid off is going to happen.
8 Never heard a whisper, not a word.
9 The Govern yet cut the budget for DCNR in his own
10 budget four and a half percent. We cut it a little bit
11 more. When we cut it more, all of a sudden the nuclear
12 winter was going to come. Services are being cut. And
13 I think that that is irreparable harm to the tourism
14 industry in Pennsylvania, to those in Pennsylvania that
15 have an income and make a living off of tourism coming
16 in with the state parks. And I think it is shameless

17 what the administration had DCNR do.

18 I used an analogy last night in an interview on

19 public TV. You know, this reminds me of the family of

20 four that the father loses his job, he has a mortgage,

21 he has a car payment, kids to feed, utilities, but

22 they're going to take a long vacation. What the

23 Governor is saying is because of these budget cuts and

24 because of this man losing his job he's going to quit

25 feeding his kids, but they're still going on vacation.

1 You know, in your budget, there has to be -- there
2 has to be room to keep our state parks open. There has
3 to be the abilities to move dollars around. We need to
4 be leasing more timber on our state parks and our state
5 owned land to keep services going. We need to move
6 forward with more leasing of gas on our state owned
7 forest to keep this program going.

8 And I want to know what your commitment is to
9 finding solution. What solutions are you looking for?
10 Are we locked in to -- is the Department and
11 administration locked in to closing state parks through
12 this budget stalemate, or are we looking for solutions?
13 Are we going to be creative? Are we going to do what
14 that family of four is doing to find other ways to make
15 ends meet? Because I believe it's important that we do
16 that. And I'd like to hear at least briefly what you

17 can tell me of what you believe can be done and what

18 your commitment is during this crisis in our budget to

19 keep state parks open and what you believe short term

20 and long term that you may be doing.

21 MR. QUIGLEY: Thank you, Governor. First, I agree,

22 that -- and I appreciate the observations you made

23 about the impacts on communities, the impacts on

24 families, and the sensitivity. Clearly is extremely

25 sensitive.

1 We've heard over the last weeks, months, the very
2 deep feeling that Pennsylvanian's have about their
3 state park system, and we understand very deeply in
4 DCNR the connection that we have with our citizens.

5 Because of that, and because of the challenges that
6 we face, I think it is extremely important for us to
7 look for every possible solution, and you touched on
8 some of them. Let me just talk about some of the
9 numbers.

10 Timber sales, right now we are cutting the same
11 amount of timber that we have cut really for the last
12 eight or ten years on average. The problem is with the
13 decline in the economy, the timber market has
14 essentially collapsed. So while we're cutting the same
15 amount of timber, our revenues are down 60 percent this
16 year. And two-thirds of the Bureau of Forestry

17 operating budget comes from timber sales. It is only

18 subsidized by one-third by the state's general fund.

19 So we're in situation today where the Bureau of

20 Forestry's current fiscal year operating budget was

21 exhausted about a month ago. We ran out of money in

22 the Bureau of Forestry under the general government

23 appropriation.

24 LIEUTENANT GOVERNOR SCARNATI: Can I just interrupt

25 you a minute? Then is it fair to say that shutdown of

1 state parks may have occurred, services may have been
2 curtailed even without -- here's a budget that hasn't
3 even been enacted yet, and you're out of money?

4 MR. QUIGLEY: Well, what we've done in the Bureau
5 of Forestry, and it speaks to the idea of options that
6 you raised, we tapped the oil and gas fund for some
7 additional funds to keep the Bureau of Forestry
8 operation. So we're looking at those kinds of
9 opportunities. We are open to additional leasing
10 opportunities on state forest lands. We're analyzing
11 what a next lease sale might be on state forest lands
12 to generate additional revenue and still manage the
13 forest. I think we've done an excellent job in the
14 Bureau of Forestry. They're among the best land
15 managers in the country. And I think we're able to
16 maintain that balance and we're committed to continuing

17 to do that. But the cruelty of mathematics is such

18 that right now, as I mentioned, our state parks' budget

19 today is \$2 million less than it was seven years ago.

20 When the Governor announced his original budget some

21 months ago, that would have cut the state parks' budget

22 by an additional \$800,000.

23 And the impact of that would have been to pitch

24 five to six parks into a very much seasonal operation,

25 minimal staffing. Senate Bill 850 was an \$8 million

1 cut. So ten times the cut that would have been imposed
2 by the Governor, and that is what gave rise to the need
3 to analyze that list of parks that we looked at from
4 potential closures.

5 Now, clearly this story is not over. And I am --

6 Governor, I am committed to working with you, the
7 members of this committee, the members of the General
8 Assembly to look for every possible solution to avoid
9 impacting our state parks and our state forest. And
10 you have that absolute commitment here today. I will
11 work with you as much as I possibly can to avoid
12 closures. We have to deal with realities and
13 arithmetic can be cruel. But you have my commitment
14 that I'll do whatever I can to work with you to avoid
15 that.

16 LIEUTENANT GOVERNOR SCARNATI: Well, I'll take that

17 commitment, but I also want to make it very clear and

18 very clear to those that are here and those that are

19 listening, that the scare tactics that this

20 administration has put out on state parks, on sex

21 offenders being let loose on our streets, people in

22 wheelchairs being abandoned in parks is shameless. And

23 the Pennsylvania taxpayer needs to know that it's a

24 scare tactic that isn't going to work. And I would

25 suggest that you and others, secretaries, look for

1 ways, look at opportunities to do a job that keeps

2 Pennsylvania services at a level they need to be and

3 not use scare tactics.

4 And I appreciate your time. I appreciate you

5 coming to my office. And I know that there's a lot of

6 questions here and certainly a lot of issues to cover.

7 And I thank you for your time.

8 MR. QUIGLEY: Thank you, Governor.

9 CHAIRMAN WHITE: Just as a follow-up question,

10 you've indicated you are looking for every possible

11 solution to keep the parks open. I introduced a bill

12 that would permit the use of Key 93 and Growing Greener

13 money, not required, simply permit as an accepted use.

14 Parks are already in there for capital improvements.

15 And we simply are putting separations in there to give

16 you that flexibility to use that money as well. And

17 yet my understanding is you oppose that bill.

18 MR. QUIGLEY: Senator, that's correct. And you and

19 I talked about this at length last week. And I want to

20 say very clearly that I appreciate the spirit in which

21 that bill was offered.

22 CHAIRMAN WHITE: Well, I don't appreciate the fact

23 that it is a possible solution that is being just

24 redirected out of hand.

25 MR. QUIGLEY: If I could, let me explain our

1 position on it. Key 93 and Growing Greener legislation
2 and referenda were passed, essentially made a bargain
3 with the citizens of Pennsylvania. They decided to
4 spend money in a certain way. And we believe, number
5 one, that that referendum and the will of the citizens
6 should be followed, and overturning referenda in a time
7 of difficulty is something that we're concerned about.

8 CHAIRMAN WHITE: I don't believe anyone is
9 overturning the referendum. This legislature is a
10 policy setting body. And parks and recreation are what
11 -- are part of what a Key 93 is all about. Growing
12 Greener, likewise, has park uses in there as a
13 permissible expenditure, I think making it clear that
14 operations also could be an eligible use. We're not
15 mandating anything. We're simply giving you another
16 tool. And for you to reject it indicates to me that

17 this is exactly what Senator Scarnati believes it is,
18 and that is a concerted effort to convince people that
19 unless we raise their personal income taxes the parks
20 will close.

21 MR. QUIGLEY: Well, if I could amplify a little bit
22 further, when those pieces of legislation, referenda
23 were originally adopted, they specifically excluded
24 operational costs. So this is, I think, a significant
25 change.

1 More fundamentally, however, when you look at our
2 grant programs with the decline in the real estate
3 market and the decline in the Keystone Fund and the
4 fact that more Growing Greener I is going to debt
5 service and consequently less money in the bond
6 program, with the -- eventually exhaustion at the end
7 of next year of Growing Greener II funds, our grant
8 program is down to this year about \$17 million. Over
9 the last five or six years we've averaged 50 to
10 \$60 million a year in grants to communities. More and
11 more of those grants have been directed to position
12 natural resources as economic development engines, not
13 merely -- I use that word advisedly -- it's inherently
14 important recreation and open space and so forth, but
15 more and more communities are positioning those kinds
16 of investments as economic development strategies.

17 CHAIRMAN WHITE: I -- I would just not, you know,
18 DCED is our economic development agency. And while
19 those may be very nice things to do, parks are an
20 essential function of your Department. And I think you
21 need to change your priorities. And we don't touch the
22 \$625 million bond. Bond money is not eligible for
23 operating cost. We understand that. So we're not
24 touching that. We're not going there. It's the other
25 piece that are funded by the taxes. And you know, I

1 continue to believe that your refusal to support
2 legislation that gives you the flexibility to use that
3 money, doesn't require it, simply makes you do your
4 job, which is prioritize and, you know, until I see a
5 change on that position, I'm -- I'm really very much on
6 the fence here.

7 Senator Mustio has indicated that he will pass on
8 the first round of questioning, and that will take us
9 to Senator Stout.

10 SENATOR STOUT: Thank you, Madam Chairman. When
11 you visited my office several weeks ago we talked about
12 the carbon sequestration. And I was concerned about,
13 since the federal government is entering similar
14 legislation, about the carbon caps and trades and so
15 forth, how is our program going to fit in with the
16 proposed federal program?

17 MR. QUIGLEY: Senator, that's a good question. I

18 think the efforts that we are making with regard to

19 carbon capture storage will dovetail very nicely and,

20 in fact, position Pennsylvania to be a national leader

21 on carbon capture storage. We are stepping out with

22 this idea of a network, which was defined in Act 129 of

23 the General Assembly passed last year. The idea of

24 deploying this technology at significant scale,

25 multiple plants, will allow us to capture the kinds of

1 scale to demonstrate the technology to make it cost
2 effective and to put Pennsylvania as a first mover in a
3 national system. So I think the fact that we are
4 demonstrating leadership around carbon capture puts us
5 in a superb position to capture the economic
6 development benefit that will go with that leadership.

7 Everything that we're doing, the Senate Bill 92
8 that Senator Erickson has proposed, positions
9 Pennsylvania to lead. And President Obama just said
10 yesterday in a news conference talking to me about
11 clean energy that he intends for the United States to
12 lead the world in the deployment of clean energy and
13 alternative energy technology, and he actually said if
14 the United States was going to lead, why not
15 Pennsylvania?

16 So I think the opportunity before us is one that

17 will allow us to clean our air, reduce our carbon
18 dioxide emissions, and capture all of the
19 manufacturing, the retrofit, the export jobs that will
20 come with leadership in the development of this
21 technology. So I think it's a huge opportunity for the
22 state and it's one that we really need to aggressively
23 pursue.

24 SENATOR STOUT: What kind of timeline do you
25 project on this carbon sequestration?

1 MR. QUIGLEY: Our goal, Senator, is to prepare this

2 network, this multi-user network, which will include

3 retrofit of existing coal-fired power plants, existing

4 industrial facilities, and accommodate some new build

5 clean coal plants, and have it ready to accept carbon

6 for storage by 2015. That's an extremely aggressive

7 time frame. It is probably 10 years faster than plans

8 that are in place in other states. But it is that

9 competition, that race, and indeed that necessity to

10 deploy this technology sooner rather than later that

11 will give Pennsylvania the economic advantage.

12 SENATOR STOUT: Thank you. Thank you, Madam Chair.

13 CHAIRMAN WHITE: Thank you, Senator. I am

14 concerned about you getting a little ahead of the

15 legislature on this because, as you know, the Act 129

16 approved the pilot study. It did not approve -- it

17 requires legislation to move forward. So I would
18 caution you about getting out too far before you at
19 least lay the ground work for the legislative approval
20 that's necessary here.

21 MR. QUIGLEY: I agree, Senator. In fact, as I
22 mentioned, Senate Bill 92 and House Bill 80, which are
23 working their way through the process, would provide
24 the essential legislative underpins it with. We are
25 proceeding with the studies that are required by Act

1 129 and the business plan effort that is attendant to

2 that, so we hope to provide extremely detailed

3 information to you as you deliberate on these measures.

4 CHAIRMAN WHITE: I think this might be a good

5 subject for a hearing at some point.

6 MR. QUIGLEY: I agree.

7 CHAIRMAN WHITE: Senator Baker.

8 SENATOR BAKER: Thank you, Madam Chair.

9 Mr. Secretary, you know when we met that I, too, am

10 very concerned about the state park budget. I have

11 eight state parks in the 20th senatorial district, and

12 it's very distressing to many of my constituents,

13 visitors, and business people who operate in and around

14 the parks. And I would echo the words of my colleagues

15 about prioritization and ensuring that we do keep them

16 open through the summer months in particular. And the

17 option that's on the table I would very strongly

18 encourage you to consider.

19 Several months ago when the Department was here

20 before the appropriation committee defending the

21 Governor's decision to eliminate heritage tourism

22 funding, basically Secretary DiBerardinis said we

23 believe we have other options available; there are

24 funds, perhaps there are other grant programs to

25 provide for the support for that. Yet in the press

1 release that the Department issued on Senate Bill 850

2 you criticized the Republicans for not restoring that

3 money.

4 I guess my question is, how many heritage tourism

5 areas have applied under the scenario that you

6 indicated was okay in February; and why were you taking

7 aim at us on that based upon the fact that the Governor

8 had already eliminated it and you told us that there

9 were other options available?

10 MR. QUIGLEY: To answer your first question,

11 Senator, I don't have a specific number of applications

12 that have been filed by heritage tourism areas in our

13 latest grant fund. I would certainly get that to you.

14 I'll get to that you this afternoon.

15 We do make available our Community Conservation

16 Partnership Program funding opportunities to the

17 heritage areas. They are competitive funding
18 opportunities, so it is not a guarantee of funding, as
19 was the case under the heritage program. And Secretary
20 DiBerardinis indicated in the budget testimony, we
21 support the Governor's decision to eliminate the
22 program. That decision generated a considerable amount
23 of concern, not only from the heritage areas but from
24 legislative areas and others that see the clear value
25 of those programs. We have always been a huge

1 supporters of the heritage program. We understand the
2 difficult situation that we're in in these times, and
3 that was one of the difficult choices that the Governor
4 made.

5 We heard a lot about that and received quite a
6 bit -- the governor received quite a bit of criticism
7 about it. Yet when the House Bill -- when Senate Bill
8 850 was passed, funding was not restored for the
9 heritage program. That to us at the time appeared to
10 be a disconnect.

11 Clearly, there are enormously difficult choices
12 that we all have to face. And I just want to say that
13 whether we talk about heritage program or we talk about
14 the state park system, none of the decisions or the
15 analyses that we've made were without anguish. We
16 understand what it means to you. We understand what it

17 means to your constituents to contemplate closing these

18 facilities or not funding wonderful programs like the

19 heritage program. These are all anguishing decisions

20 that we face. And there may be disagreements about

21 them, but what we tried to do and what I will pledge to

22 you today is that to be as transparent as we can be

23 about the numbers, about the rationale and about the

24 decision making.

25 SENATOR BAKER: Well, I guess I would say then the

1 press release perhaps shouldn't be levelled at the
2 senate republicans because you did give us assurances
3 that there were options available, so we moved forward
4 based on the assurances that you had given to us
5 related to that program. And I think it's a wonderful
6 program. There are many heritage regions in
7 Northeastern Pennsylvania. And so you can't have it
8 both ways. And I would just indicate that you can't be
9 pointing that out to us and perhaps, you know -- thank
10 you.

11 CHAIRMAN WHITE: Thank you, Senator. Senator Don
12 White.

13 SENATOR D. WHITE: Thank you, Madam Chairman. Good
14 morning.

15 MR. QUIGLEY: Good morning, Senator.

16 SENATOR D. WHITE: I, going back to the state park

17 issue, I'm curious if there was any kind of game plan

18 whenever you were out as a spokesperson talking about

19 the potential closing. Was there any thought given to

20 the fact that you have existing binding contracts with

21 entities like the Boy Scouts? I mean, I never heard

22 any caveat, I never heard any -- what was your plan for

23 those binding contracts? I believe there's 1,100 Boy

24 Scouts, for example, going to Yellow Creek Park in the

25 middle of July. Just what was your plan for them?

1 MR. QUIGLEY: Well, as we indicated when we
2 provided the initial list of 50 parks to the senate
3 that were -- and we positioned them as the subject for
4 additional analysis, we identified a universe, if you
5 will, of 50 parks that we have to be analyzed more
6 closely. And among the analysis is exactly what you're
7 referring to. There are a number of agreements that we
8 have with various organizations, youth groups and
9 others, to conduct various activities in the parks.
10 And that's part of the process of trying to make some
11 decisions.

12 Now, I will say very frankly that we all hope we
13 don't have to get to that point. And the analysis is
14 continuing. But we are looking at exactly those
15 things, what agreements, what promises we have made
16 with respect to those parks, and trying to make some

17 judgements about what flexibility, if any, that we

18 have. So that is something that we're looking at.

19 SENATOR D. WHITE: I understand that, Mr. Quigley,

20 but at the same time you scared the bejesus out of a

21 lot of people who do have contracts. High school

22 football teams contract with the Yellow Creek State

23 Park and that was not part of my statement that I read.

24 It was all about we're going to close the parks. There

25 was nothing said, except for existing contracts that we

1 plan on honoring. So I just want to get that off my

2 chest.

3 Now, something a little more important to me is

4 I -- you and I had a very enjoyable meeting on -- in my

5 office on June 9th. And we discussed carbon capture

6 sequestration. And obviously you gathered from my

7 conversation I'm not a big believer or fan or advocate,

8 and have very much questioned the technology and its

9 implementation.

10 And during the meeting you refer to my area as

11 potentially ground zero for potential activity in this

12 area. And that's why I was so surprised. I met with

13 both you and Secretary Hanger from DEP, and I found out

14 that you've been communicating directly with IUP on

15 this matter for well over a month about their potential

16 role in managing the public relations of this

17 occurrence. Now, neither you nor Seth Hanger, who I
18 have met with in the same time period, have informed me
19 of this conversations, which have amounted to several
20 conversations that you've had with this -- with IUP and
21 their administration.

22 And is there any particular reason for omitting
23 that information during our conversations? Because I
24 can't believe it would just simply be a small detail
25 that would be very easily overlooked and forgettable by

1 you. Why was I not involved?

2 MR. QUIGLEY: Well, Senator, here's where --

3 exactly where we're at with this whole analysis. As I

4 mentioned to you, I think when we met, we are in the

5 process of gathering sizable data around the state and

6 literally in all corners of the state to look at --

7 further look at the geology and identify target areas

8 of opportunity as part of the process to identify a

9 specific site or sites where this network might

10 originate.

11 And as I shared with you, I think there is

12 significant potential in Southwest Pennsylvania, in

13 your region, because of the concentration of coal fired

14 power plants, because of the geology, which, again, we

15 have to study further, because of the opportunities in

16 a couple of corners of the state, southwest and

17 actually northwest, to potentially to enhanced oil

18 recovery for the first time. So there's a lot of

19 compelling reasons why we have to look at the southwest

20 part of the state as the first area of interest.

21 What we have also tried to do as we go through the

22 geologic analysis, which will take another couple of

23 months, is to sketch out what kind of public education

24 and outreach, not advocacy, but public information,

25 what would that structure look like in that region of

1 the state.

2 And we reached out to IUP. We've talked to the

3 University of Pittsburgh. We've talked to groups like

4 the Allegheny Conference. We've talked to some

5 statewide environmental organizations about their

6 interest in participating in some kind of consortium.

7 Penn State has also been involved, participating in

8 some kind of consortium that would help to translate

9 all this geologic and geophysical information into

10 English so that as we proceed with the multi-year

11 development of this kind of network, and it would

12 indeed take two or three years of site specific study

13 to know whether or not any particular location would

14 work, we felt the need to inform the public and be

15 transparent in the work. So the conversations that

16 I've had with IUP have been preliminary.

17 In fact, I spoke with the president of the
18 university yesterday. And he indicated an interest in
19 making sure that all of the local leaders were involved
20 in the conversation. And my reply to him --

21 SENATOR D. WHITE: I'm glad somebody did.

22 MR. QUIGLEY: And I would say, Senator, that the
23 intent here has been to put together all of the
24 components of a project, and then when all of the
25 pieces are -- at least have been sketched out, to then

1 sit down with the leadership and present a fully formed

2 plan rather than a piecemeal one.

3 So if there -- I would apologize for perhaps the

4 sequencing. If the sequencing of our activities

5 doesn't meet with your approval, I will apologize for

6 that. But the intent has always been, I know I speak

7 for Seth Hanger on this, to be completely transparent,

8 to engage local leadership at all levels of whatever

9 area is ultimately selected as a potential for a first

10 project location. We're not there yet. We do think

11 that the gravity is tending towards Southwest

12 Pennsylvania, but until we can make some real

13 decisions, have some firm information, frankly, I

14 thought it was premature to lay out a maybe, a long

15 list of maybes to anybody.

16 SENATOR D. WHITE: Well, I think this whole CCS

17 technology thing is very complicated.

18 MR. QUIGLEY: Yes.

19 SENATOR D. WHITE: And, well, in my opinion

20 delusional. But you know, okay. Go ahead and continue

21 with the process. We spent \$7 million on a feasibility

22 study, but when you're talking -- IUP, I'm the only

23 state Senator that lives in the town of any of the

24 state system schools. And nothing much goes on there

25 that I don't have some sort of input or communication

1 on. And for you and Mr. Hanger just to omit me from
2 this process, knowing full well that I'm a skeptic of
3 this kind of technology, I don't appreciate it. And if
4 that's the kind of openness and transparency we're
5 going to have as far as our relationship, we need to --
6 we need to do some serious work.

7 And I know you're well qualified for this position.
8 I have no -- I'm not questioning that whatsoever. But
9 this carbon capture sequestration is a very delicate
10 issue with me. And I am ground zero for a lot of this
11 technology and everything else that's going on
12 environmentally, we are ground zero. And I think you
13 owe me the respect of being involved in any decision
14 making that involves my IUP and my backyard. And
15 that's -- I don't think you handled that with the kind
16 of delicacy that I'd like to see. But that being said,

17 thank you, Madam Chairman.

18 CHAIRMAN WHITE: Thank you, Senator. While we're

19 on that subject, and you and I had a discussion, the

20 fiscal note on that bill when I voted for it was

21 \$500,000. There was a \$7 million price number in there

22 that I thought was for pilot plan. In fact, the

23 \$7 million has been used for the feasibility study,

24 which is a hell of a cost for a feasibility study. But

25 I understand that there is a lot of seismic and a lot

1 of work involved in that. But that's a lot of money to
2 spend on a maybe. Because we aren't there. And in
3 these tight times looking at where money is going, I
4 realize you said you thought the law bound you to spend
5 that \$7 million on a feasibility study. I'm convinced
6 after our discussions that the \$500,000 fiscal note,
7 which we thought was what we were spending, was a
8 miscommunication and not any kind of deliberate
9 deception. You've satisfied me in that respect. But I
10 want to make sure that can't happen in the future, and
11 that when we vote on things and fiscal notes are
12 prepared, whether it was, you know, the budget office
13 or in your office, that we're getting real numbers and
14 the real picture.

15 You know, I just question the tight times spending
16 \$7 million on a project that may or may not come to

17 fruition. Because if it costs 7 million for the

18 feasibility study, where on Earth are we going to get

19 the money to build the plant or the facility on? Do

20 you have any ideas?

21 MR. QUIGLEY: Let me say first about the

22 feasibility study. Again, Act 129 was passed and

23 required a series of studies, multi-faceted studies.

24 And to do the work fully and completely it,

25 unfortunately, requires that type of expenditure. And

1 you and I have talked, Senator, about that fiscal note,
2 that I shared your puzzlement about where that number
3 came from.

4 And I will pledge to you to make sure that we make
5 sure when numbers are requested that we make sure the
6 right questions are asked so that we can give the right
7 answer.

8 As far as where a network would -- how a network
9 would be developed, that will be, I think, determined
10 by the results of the additional studies that we're
11 doing by the business plan that is in process. We hope
12 to provide engineering level estimates of the cost of
13 this network. As you probably know, we hope that this
14 network can be seated fully in the private sector and
15 not involve significant public expenditure. Clearly,
16 we're pursuing opportunities following the notices of

17 availability of federal funds under the Zero Program.

18 There are four or five different pots of money that

19 could theoretically be applied to the development of

20 this type of network, only two of which have actually

21 been published yet. So we're following the

22 availability of federal dollars very closely to try to

23 take this incrementally.

24 But at this juncture, there is clearly no

25 additional state appropriation required for any of the

1 work that we are doing and, indeed, we believe that
2 there is every opportunity that there will not be a
3 significant or even any additional state appropriation
4 required for the development of the network because we
5 believe it can be a privately driven opportunity.

6 CHAIRMAN WHITE: Thank you. Senator Erickson.

7 SENATOR ERICKSON: Thank you, Madam Chairman. I'd
8 like to follow up, Mr. Quigley, on some of the issues
9 here with this carbon capture sequestration thing. And
10 I appreciate your mention of the Senate Bill 92. I
11 also had an observation. I think that Senator Don
12 White found himself in the same side as many of the
13 environmental groups at this point with the whole
14 carbon capture sequestration. They're questioning
15 whether or not this is feasible.

16 As you know, there are negotiations going on

17 between some of those environmental groups and some of
18 the folks in the industry who have various processes
19 that they already tried, some successfully, some
20 unsuccessfully. So another option, we need to go very
21 slowly on this, even though I am the prime sponsor of
22 that bill and recognize that we better take our time
23 and get this thing right. Some people viewed this as
24 the mechanism to use more coal in the Commonwealth, and
25 I don't find that's something that we shouldn't be

1 doing. In fact, that may well be something that is
2 good for our economy. But again, if we do it we need
3 to do it in a clean fashion.

4 Having said those things, just a simple question.

5 When will the feasibility study be done that relates to
6 the carbon capture sequestration?

7 MR. QUIGLEY: The next report that's required of
8 Act 129 are the risk assessment and cost estimates is
9 due to the General Assembly November 1st. We believe
10 that we may have cost estimates before the end of the
11 summer. So there may be some opportunities to provide
12 some good information well in advance of the
13 November 1st deadline.

14 SENATOR ERICKSON: Do you view that study or the
15 results of that study as something that can lead to a
16 direction we might want to pursue with the legislation?

17 MR. QUIGLEY: I think -- I would suggest a couple
18 of things, Senator. First, when we have talked with
19 the environmental community about some of their
20 concerns, an eminent group like the Natural Resources
21 Defense Council has written members of the General
22 Assembly a letter saying that carbon capture and
23 storage technology is ready to go today at commercial
24 scale. In fact, they argue that it needs to subsidy.
25 I would differ with that, particularly for first

1 movers. But from their standpoint this technology is

2 ready. And while every caution and every bit of

3 scientific rigor needs to go into our work, I don't

4 think the calls for caution necessarily ring true in a

5 real way when you look at the reality of the

6 technology.

7 I do think that it's imperative for your

8 legislation and the companion bill in the House to move

9 forward now. There are opportunities, as I mentioned,

10 for federal stimulus funding. There's pending

11 legislation in Washington around the cap and trade, and

12 we are essentially in a race, a race to capture the

13 economic benefits of being leader in this technology.

14 And there are potentially thousands of jobs in the mix

15 here that Pennsylvania can capture. And many of them

16 can come to Senator White's district, many can come to

17 the southeast, southeast portion of the state.

18 There's a huge upside as well as an opportunity to

19 make a significant dent in our carbon emissions. As

20 you know, Senator, we're the third highest emitting

21 state in the United States. We're also the fourth

22 largest coal producer. And the challenge really, I

23 think, for Pennsylvania in what appears to be

24 inevitably a carbon constrained world is how do we burn

25 Pennsylvania's abundant energy resources as cleanly as

1 possible? And I think carbon capture storage
2 technology offers us one solution. I think there are
3 others clearly, but CCS is one solution that I think we
4 need to pursue. The Governor has put a lot of his
5 personal energy into this, in conversations with the
6 secretary of energy in Washington. So I think it's a
7 huge opportunity. I think we are in a position to make
8 decisions now, this year, even indeed this summer. I
9 think it's appropriate for us to move forward.

10 I certainly support your legislation and the work
11 that's happened in the House.

12 SENATOR ERICKSON: Thank you. Thank you, Madam
13 Chairman.

14 CHAIRMAN WHITE: Did I understand you to say that
15 the liability and risk assessment report would be
16 available this summer?

17 MR. QUIGLEY: Liability and risk assessment will be
18 available on November 1st. We may have cost estimates
19 for the network in advance.

20 CHAIRMAN WHITE: Has this been put out for bid?

21 MR. QUIGLEY: The paperwork for the risk assessment
22 is with DGS right now. I don't believe it has been
23 published yet. But it is in the DGS process. We have
24 some of the data that will feed that risk assessment,
25 that -- those contracts have already been set, the

1 seismic work that you and I discussed last week. That
2 is some of the data that will feed into the risk
3 assessment. But the actual independent risk assessment
4 is just in the DGS process now.

5 CHAIRMAN WHITE: All right. So it hasn't been put
6 out for bid.

7 MR. QUIGLEY: Correct.

8 CHAIRMAN WHITE: Do you think you'll make your
9 November deadline?

10 MR. QUIGLEY: Yes.

11 CHAIRMAN WHITE: Okay. Thank you. Senator Yaw.

12 SENATOR YAW: Thank you, Madam Chairman. I'd like
13 to ask you a question about a statement that you made
14 that DCNR is out of money and they've been out of money
15 in their budget for the last month or two months.

16 MR. QUIGLEY: Bureau of Forestry.

17 SENATOR YAW: Bureau of Forestry only?

18 MR. QUIGLEY: Yes.

19 SENATOR YAW: I don't understand, then, if that was

20 happening why we never read anything about that, why

21 there were -- wasn't any publicity about that operation

22 being out of funds.

23 MR. QUIGLEY: Well, what we exhausted was the

24 general fund appropriation for the Bureau of Forestry.

25 And that was a direct result of the collapse of the

1 timber market. As I mentioned, 60 percent of the
2 revenue that supports the operation of the Bureau of
3 Forestry comes from timber sales. Timber sales were
4 way down, so we exhausted the general fund
5 appropriation. And the fact that timber sales are
6 running millions of dollars per month behind budget, we
7 had a cash flow problem. And we worked out with the
8 budget office the ability to tap the oil and gas fund,
9 which can be used for operational purposes. So some
10 additional oil and gas monies that have not yet been
11 transferred to other uses was made available to run the
12 Bureau of Forestry.

13 SENATOR YAW: Well, I guess my thought behind that
14 is that on May the 14th was when your major press
15 release came out about Senate Bill 850, which at that
16 point was, if my recollection is correct, we passed

17 that on May the 6th, Senate Bill 850. So within eight

18 days there was a pretty detailed analysis that 35 state

19 parks had to close or could possibly close, 3 million

20 visitors were affected, and the affect on the economy

21 of Pennsylvania would be \$57 million. So somebody did

22 a lot of work in a short period of time to basically

23 pin a lot of problems on Senate Bill 850.

24 But the point is, you already had problems in --

25 with DCNR. My only point is this: You said repeatedly

1 in response to other senators' questions that your
2 operation, you want it to be transparent. And I'm not
3 sure -- I don't get the feeling that it is transparent.
4 And we talked in my office too about some of the
5 things, the very comments that you've made. You never
6 told me when we talked about it or when we met that the
7 DCNR -- or the Bureau of Forestry was basically out of
8 money.

9 I think transparency is a really -- you know, is
10 very, very important, and I also think that the idea of
11 stating things half truths is something that I
12 personally don't like. And that's what I get out of
13 this press release, that it's a situation where Senate
14 Bill 850, for whatever reason, was allowed to blame
15 with all -- with DCNR's problems is being laid at the
16 doorstep of that bill, which is not true.

17 MR. QUIGLEY: Well, I would respectfully disagree
18 with you, Senator. And based on our analysis, again,
19 we tried to analyze the numbers that were put in front
20 of us from Senate Bill 850 with respect to the oncoming
21 fiscal year. The situation with the Bureau of Forestry
22 is a current fiscal year issue. So they're two related
23 but different questions. Again, the numbers here
24 are -- are not easily understood. They're -- I get
25 confused when I talk to our fiscal people. But I want

1 to emphasize that in all the conversations I've had
2 individually with the members of the senate, and all my
3 dialogue about this, we have tried to provide the most
4 accurate numbers and analysis. And I've always said
5 that I don't believe anyone in this building, certainly
6 no one in this room and I don't think anyone in this
7 building, wants to close parks, wants to make any of
8 these difficult decisions. And I recognize the awful
9 choices that you have in front of you. I recognize
10 that there are no easy answers. There's not a good
11 choice in any of this, whether it's government spending
12 or increasing revenues. There's not a good choice. So
13 I respect the situation that you're in. I will do my
14 best to provide the best, most accurate, most clear
15 information that I can.

16 SENATOR YAW: Thank you for your explanation. I'm

17 not so sure that -- I perhaps am still a bit skeptical,

18 but thank you. Thank you, Madam Chairman.

19 CHAIRMAN WHITE: Thank you. Senator Vogel.

20 SENATOR VOGEL: Thank you, Madam Chairman. Good

21 morning, Secretary.

22 MR. QUIGLEY: Good morning.

23 SENATOR VOGEL: In your thing you gave us here this

24 morning you say -- I want you to expand more on the

25 biofuels and wood forestry biomass situation, where you

1 think that's going and how soon you think that will

2 happen. You said we're going to be a leader in it, but

3 I understand we are and could very well be, and I'm

4 very much in favor of all that. But can you just

5 explain that a little more in depth to us?

6 MR. QUIGLEY: A couple things. DCNR, for about

7 two years convened a group called the Carbon Management

8 Advisory Group, which was comprised of federal and

9 state agencies, conservators, business and industry

10 representatives to look at what is the role of our

11 state's natural resources in a carbon constrained role.

12 And one of topics that we focused on was biofuels. We

13 have 17 million acres of forestland in Pennsylvania.

14 With the advent of technologies like cellulose ethenol,

15 which can derive liquid transportation fuels for the

16 wood based resources, there's a huge opportunity for

17 Pennsylvania from an economic development standpoint,

18 create income for landowner and farmers and so forth.

19 But we have to proceed with some caution. So the idea

20 behind this work has been to analyze how much wood can

21 sustainably and economically and environmentally

22 sustainably be turned into liquid transportation fuels.

23 And what really are the opportunities for Pennsylvania.

24 And what we found is that there is significant

25 opportunity, that technology isn't quite here yet.

1 There are other ways to utilize biomass for energy,
2 whether coal firing in existing coal fired power
3 plants, combined heat power operations, community scale
4 biomass energy which has enormous economic
5 opportunities for Pennsylvania. So the real trick here
6 is to try to understand the resource as best we can and
7 look for the best opportunities to take advantage of
8 those resources.

9 We prepared as a result of our carbon management
10 report and as a result of our participation at the
11 Governor's direction in the Chesapeake Bay Commission's
12 Biofuels Advisory Panel, has laid out a strategy for
13 this region to become a national leader in the
14 deployment of biofuels. We laid out some guidance on
15 economic environmentally sustainable harvesting of
16 biomass, some guidelines on how to do it in the forest

17 to take the low value wood out of the forest without

18 harming the resource, protecting habitat, protecting

19 the wildlife and so forth. And in fact, the Chesapeake

20 Bay Commission not only endorsed our guidelines and the

21 approach, the concept of guidelines, but recommended

22 that all the other bay states publish similar guidance

23 to give the industry some type of direction and surety

24 as well as to provide guidance for landowners who want

25 to protect their holdings.

1 So we think that our efforts are designed to inform
2 business decisions, inform landowner decisions, just
3 trying to provide as much good information as we can to
4 guide the development of the market. But there is
5 definitely huge opportunity for Pennsylvania, and we
6 think properly managed will be able to take advantage
7 of.

8 SENATOR VOGEL: I appreciate that very much. Also,
9 as far as like switchgrass or anything, any other
10 things that farmers could grow, is that going to be
11 part of this whole process you're looking at as well,
12 or are you just looking at the forest end of it right
13 now?

14 MR. QUIGLEY: Our expertise is in the area of
15 forestry. We have partnered with DEP and the
16 Department of Agriculture to look at -- and their

17 responsibility, Ag's especially, is more look at the

18 switchgrass and kind of on farm biofuel crops, but

19 there is huge opportunity for the farming community of

20 Pennsylvania for biofuels.

21 SENATOR VOGEL: Thank you.

22 CHAIRMAN WHITE: Thank you, Senator. Senator

23 Dinniman.

24 SENATOR DINNIMAN: Yes, good morning.

25 MR. QUIGLEY: Good morning, Senator.

1 SENATOR DINNIMAN: It is good to see you here.

2 Just one comment and then a question. You know,

3 whether it's the Governor's cuts or whether it is

4 SB850's cuts, I think, and everyone jockeys for

5 position, it's the nature of the process, I think. But

6 I think the bottom line is saying that, Senator Stout

7 taught me the other day, and that is we all have to

8 understand that you can't slaughter and milk the cow at

9 the same time. And there are consequences of these

10 cuts. And we have to understand that. No matter who's

11 jockeying for position, you know, the administration or

12 the critics of the administration for or against SB850

13 or the Governor's program, we have to just understand

14 that there are consequences and discuss that as we do

15 the budget.

16 But, you know, a different topic. Let me ask you,

17 on the Growing Green programs, the programs which are

18 so essential and important to my county and my

19 district, I know most of these are bond supported.

20 What impact does the budget have, if at all, whether it

21 be SB850 or whether it be the Governor's budget cuts,

22 have on these programs and open space programs, on the

23 programs we use in terms of other aspects that are --

24 you know, parks, recreation, the funding source?

25 Because that's essential for us.

1 MR. QUIGLEY: Absolutely. And I will start
2 answering your question, Senator, by again, saluting
3 everyone on this committee and the members of the
4 General Assembly for Growing Greener II. It was just a
5 monumental piece of work and has been enormously
6 helpful and beneficial to the state.

7 The impact of the budget situation really has to do
8 with our ability to process grant applications. A
9 reduction in our general government operations line
10 item, in our GGO line item, essentially that's where we
11 pay for the staff for the Bureau of Recreation,
12 Conservation which manages our portion of the Growing
13 Greener grant fund to the Community Conservation
14 Partnership Program.

15 So the budget situation, per se, doesn't -- doesn't
16 impact the availability of funds, what it does impact

17 is our ability to process applications in a timely

18 fashion. And reduction in personnel that would result

19 from a reduction in a cut in the GGO line item

20 essentially adds time to the grant leading process.

21 SENATOR DINNIMAN: Have you thought of an easier

22 form?

23 MR. QUIGLEY: We have.

24 SENATOR DINNIMAN: I mean a quicker way to do this

25 and just --

1 MR. QUIGLEY: We have, Senator. And, in fact, what

2 I will say is record time or Bureau of Recreation and

3 Conservation in partnership with the Governor's Office

4 of Administration and DEP roll out an electronic grants

5 portal. They took maybe two months. It was an amazing

6 piece of work. Folks in our agency have done great

7 work to make the application process fully electronic.

8 And this year we processed over 600 -- I think 605

9 grant applications electronically, which greatly

10 speeded up the front end of the process.

11 And we're at work right now on the back end, on

12 managing grants, turning them around more quickly and

13 making as much of that process as we can fully

14 electronic. So we're trying, again, to do more with

15 less, to be more responsive, more interactive,

16 communicate better with applications, with applicants

17 and communities. And I have to commend our folks and

18 the folks from DEP and the Governor's Office

19 Administration that worked on this. And they took

20 maybe two months, if that, to do a massive amount of

21 work to turn into an electronic form on the front end

22 of the program.

23 SENATOR DINNIMAN: And finally, you mentioned the

24 stimulus program and you mentioned that there had been

25 two of the pots that have been -- have published

1 statements on. What exactly do these published
2 statements say in relationship to your programs, and is
3 any of this going to be helpful to us as we deal with
4 this, the current budget?

5 MR. QUIGLEY: Well, I don't think it will directly
6 help the budget. What it would do would further the
7 work that we're doing around the development of this
8 carbon capture. The two notices that have been
9 published are for geologic site characterization and
10 for geologic technology training. And those two pots
11 of money, one would be pursued perhaps individually by
12 DCNR. And the technology training, we're in
13 discussions with a number of universities across the
14 state that have an interest in this type of development
15 for possibility of forming consortium to pursue that
16 pot of money.

17 So I think there's a number of opportunities, they
18 can advance the development of knowledge, research and
19 development, but it won't have any direct impact on the
20 budget.

21 SENATOR DINNIMAN: Am I to assume that there's
22 no -- in the other two pots that are out there, nothing
23 is about the maintenance and the needed work in terms
24 of parks and trails?

25 MR. QUIGLEY: That's correct, Senator.

1 Unfortunately, when you look at all of the stimulus
2 programs that were developed in Washington this year,
3 the only natural resource agencies that were eligible
4 to receive stimulus funding were federal agencies.
5 State natural resource agencies essentially were shut
6 out of that process. Now, that is not to say that
7 we're not pursuing opportunities.

8 The Governor has convened a multi-departmental
9 effort to look for opportunities to pursue any stimulus
10 funding that would be available, and we're constantly
11 looking for opportunities to get some money into our
12 system that might help to defray some budgetary
13 pressures. So far we haven't identified any, but we
14 continue to look.

15 SENATOR DINNIMAN: Thank you. And I thank the
16 Department for the good work and your good work over

17 the years. And, again, I understand the questions

18 related to -- to sequestration. You know, and

19 especially I appreciate Senator White and others who

20 didn't work at the center of their district. The

21 center of my district is always the question of how do

22 we maintain our open space and how to we maintain the

23 resources that we have in hand. And in that area, the

24 Department has been excellent and has had a wonderful

25 outreach to us. So we thank you.

1 MR. QUIGLEY: Thank you.

2 CHAIRMAN WHITE: Thank you, Senator. Senator

3 Mustio, did you have any questions on round two?

4 SENATOR MUSTIO: Thank you, Madam Chairman. Good

5 morning, John.

6 MR. QUIGLEY: Good morning, Senator.

7 SENATOR MUSTIO: You mentioned in your testimony

8 the idea of working with communities to make

9 conservation part of local economic development

10 strategies. How is that working?

11 MR. QUIGLEY: Well, I think the simple answer is

12 it's working wonderfully. But let me amplify. We have

13 worked to position natural resources as part of

14 sustainable communities, sustainable economies, and

15 that extends for Mike DiBerardinis's vision to really

16 take Pennsylvania conservation in Pennsylvania next --

17 into this century. We come from a long history --

18 essentially the conservation movement has its roots in

19 Pennsylvania. In fact, has its roots in this region,

20 Pincho and others that became the fathers and mothers

21 of conservation in the United States. And for a

22 conservation to be relevant in this century, the

23 Secretary DiBerardinis's vision that we needed to turn

24 from facing the resource, turn from the forest to face

25 communities, so they try to integrate the parks and the

1 forest and the natural resources into communities,
2 assist them in developing and improving their quality
3 of life, making them more competitive for jobs and
4 visitors, and we consciously launched an effort to
5 collaborate with local communities to position our
6 parks and forests, natural resources as assets in
7 economic development planning.

8 We have received wonderful cooperation from other
9 state agencies. Department of Community and Economic
10 Development, Department of Transportation, DEP,
11 Department of Agriculture, have all been wonderful
12 partners with us and we've been able to leverage a lot
13 of resources to powerfully impact communities. We're
14 practicing this kind of an approach in seven distinct
15 landscapes around the state. The one probably most
16 folks would be familiar with is the Pennsylvania Wilds,

17 the 12 county north central Pennsylvania region that is

18 really taking off as a premiere ecotourism area of the

19 Commonwealth.

20 But we want to replicate that around the state and

21 really make it part of the way we do business. As

22 important as playgrounds and trails are in and of

23 themselves, and that's where we come from, they're even

24 more important if we can make them part of the local

25 economic development strategy. And we're seeing

1 communities across the state make that decision and
2 make that investment.

3 We've seen river towns turn and face the river. I

4 was up in your district last Friday, Senator,

5 Wilkes-Barre. We had a small piece of the \$30 million

6 project that turned a one-mile stretch of the

7 Susquehanna from a levy that no one could even see the

8 river, to a series of portals and just enormously

9 beautiful public spaces to connect the city to the

10 river, engage folks in getting them to embrace the

11 river that had devastated that community. And they

12 made it the centerpiece of their economic development

13 and economic revitalization strategy. And we see that

14 great opportunity around the state to replicate that

15 model. We've gotten wonderful cooperation and

16 enthusiastic supports from communities around the

17 state, and we're excited about that work.

18 SENATOR MUSTIO: You're receiving good cooperation

19 from communities, but are you hearing from additional

20 communities that would like to participate?

21 MR. QUIGLEY: We are -- we are in no short supply

22 of folks that want to work with us. I mentioned in our

23 grant program, for example, this year we have 605

24 applications for the current round of communities,

25 conservation partnership funding. There's a real

1 appetite around the state for this kind of planning.

2 We're really in the early years of this kind of an

3 approach.

4 Something that Secretary DiBerardinis envisioned

5 only about five or six years ago and then through the

6 hard work of folks like Deputy Secretary Cindy Dunn who

7 leads that effort for us, we really engaged deeply with

8 communities, but there's a lot more interest. And it's

9 a nice problem to have when folks are knocking on your

10 door and asking to work with you to partner, to

11 collaborate. And our folks have responded to dozens

12 and dozens of people in -- across our bureaus have

13 become engaged in this work. It doesn't fit their job

14 description. It's not something that they came to the

15 agency to do.

16 The foresters are involved in these kinds of

17 efforts that connect natural resources to community

18 revitalization. It kind of opens up -- opens up the

19 world to them and to the communities. It's an exciting

20 and I think a very powerful concept that really has

21 tremendous benefits for the state.

22 SENATOR MUSTIO: Thank you.

23 CHAIRMAN WHITE: Thank you, Senator. Senator Don

24 White, you had a second round question.

25 SENATOR D. WHITE: Just a follow-up question. I'll

1 make it quick. Thanks, Madam Chairman. I was remiss
2 in not asking. I will follow up myself on this -- on
3 the contracts. I just want to make myself clear on
4 this. Assuming the worst case scenario that the
5 administration and DCNR has already announced that
6 potentially 30 parks will close, I asked you about the
7 contracts. You basically insinuated, I believe, that
8 they'd honored. So let's go to the Boy Scout
9 situation.
10 Their -- they have a contract with DCNR for 12 days
11 at Yellow Creek State Park. It starts July 15th. Once
12 again, just an assumption. So if July 1st you would --
13 the decision was made to close down the parks, I assume
14 that means you had a game plan for reopening to -- to
15 meet the contract obligations you had, so I guess you
16 would, what, reopen, offer the services that they

17 contracted for, and then upon those 12 days completion,

18 shut it back down?

19 MR. QUIGLEY: Not -- not necessarily, Senator.

20 There's no plan to shut down any park on July 1st. As

21 you probably know --

22 SENATOR D. WHITE: Once again, I said worse case

23 scenario.

24 MR. QUIGLEY: Well, if a budget is passed by July

25 1st and we are then operating under a budget that

1 requires closing of parks, that's one scenario. If, in
2 what appears to be at least a possibility, the budget
3 isn't resolved by July 1st, we would not close parks on
4 July 1st. We would go into a situation of payless pay
5 days. So until a budget decision is -- until a budget
6 is passed, the state parks will remain open and when
7 that budget is passed, and based on our analysis we
8 have to make some decisions about closure, only at that
9 point would we implement any type of closure. So on
10 July 1st nothing's going to change.

11 SENATOR D. WHITE: Okay. Well, in 1991 they were
12 here to August to pass the budget.

13 MR. QUIGLEY: Yes. And that will complicate
14 matters if -- the longer -- if there is a delay. That
15 will complicate the analysis. But the legal guidance
16 that we have received to date is that on July 1st, even

17 if there is not a budget enacted, the parks will

18 continue to remain open and our folks will work without

19 pay, including me.

20 SENATOR D. WHITE: So July -- just so I have this

21 clear and people that get the chance to watch this, see

22 it on the record, July 15th when the 1100 Boy Scouts

23 are supposed to have utilization of Yellow Creek State

24 Park, by contract, it will be open?

25 MR. QUIGLEY: It will be open if, number one, we

1 are still without a resolution of the budget situation.

2 So if we haven't gotten a decision yet, a budget has

3 not been enacted for the next fiscal year by July 15th,

4 parks will continue to be open. If a budget is passed

5 before July 15th that would in the worst case require

6 closure, I'm not sure what the answer to that question

7 is. But what I can tell you is that we will keep you

8 informed. And as we get to that point, and I will say

9 this to any member, that if there is a particular event

10 or activity, event in your district that is of concern

11 to you, we will keep you informed up to the minute of

12 what our decisions are.

13 CHAIRMAN WHITE: So in other words, if we hold off

14 doing the budget until September, we could keep the

15 parks open all summer but, of course, none of the

16 employees would be paid, is that --

17 MR. QUIGLEY: Well, that's part of the issue,

18 Senator.

19 CHAIRMAN WHITE: I think that's preposterous.

20 MR. QUIGLEY: Well, there's legal rulings in place

21 that say --

22 CHAIRMAN WHITE: Well, there aren't legal

23 rulings -- we've seen legal opinions passed around

24 senate say that the state is subject to wage and hour

25 laws and that we can't require employees to work and

1 not pay them. So there are opinions and there are
2 opinions and I guess until the U.S. Supreme Court rules
3 on it we won't know whose opinion is correct. But I
4 can tell you these things will be heading to the court
5 if the scenario you describe is in place.

6 MR. QUIGLEY: Well, we will be guided by whatever
7 legal interpretations is made by the Governor's office
8 and, again, we will keep you informed, so that you know
9 exactly what is happening under any eventuality.

10 CHAIRMAN WHITE: Do you have a list of events
11 planned for state parks for all the parks? Do you have
12 some kind of calendar of events? Do you know what, in
13 fact, is scheduled out there?

14 MR. QUIGLEY: I know the agency does. I don't have
15 it myself, but I know --

16 CHAIRMAN WHITE: I don't mean you personally.

17 MR. QUIGLEY: We maintain one, yes.

18 CHAIRMAN WHITE: So you could have search --

19 MR. QUIGLEY: We're aware of all the activities

20 that are planned.

21 CHAIRMAN WHITE: Okay. So you know what parks --

22 what one might be sensitive, such as Senator White's

23 Boy Scout --

24 MR. QUIGLEY: Yes.

25 CHAIRMAN WHITE: -- event or Oil 150, which is

1 taking place in North Creek Park --

2 MR. QUIGLEY: Yes.

3 CHAIRMAN WHITE: -- 150th anniversary of the

4 discovery of oil. All of these things have significant

5 events surrounding in place, or some of the planning

6 has been going on for years -- regattas, things of that

7 nature. So you have that list and you will factor that

8 into your decision.

9 MR. QUIGLEY: Yes, yes, we will. And one other, I

10 think, qualifying point I should make again, I hesitate

11 to speculate, but when we talk about parks remaining

12 open in the absence of the budget agreement, if that is

13 an extended period of time, where we're operating

14 essentially into the next fiscal year without a budget,

15 for an extended period of time, it magnifies the

16 impact. If, in fact, resources or a budget would

17 require closure and we've already been operating or

18 well into the fiscal year and have been operating, it

19 only magnifies the impact of a potential cut. So where

20 you might -- would have had to have closed -- again, I

21 hate to speculate, but just to illustrate the point

22 where we might not have had to close 35 to 40, it might

23 be something more than that if we are operating a

24 number of weeks into a fiscal year without a budget

25 resolution.

1 SENATOR D. WHITE: When you say close, I understood
2 you to have said in our conversation that closed meant
3 certain services would not be available. Last budget
4 impasse that I recall when we shut down government for
5 a day or whatever the time period was, the DCNR
6 actually posted the guards at the entrance to the state
7 park and was not permitting people to use the park for
8 any purpose. I would think that's illegal. This is
9 public park property and if they want to bicycle there
10 or hike there or fish there, they have the right to do
11 that. So when you're talking close parks, are you
12 talking physically denying people access?

13 MR. QUIGLEY: As we've said in responses to
14 inquiries from the senate, what we mean by closure, and
15 I will say that we've also said this to the press, it
16 wasn't picked up initially but we have said it

17 consistently and clearly, that by closure we mean there

18 will be no staffing. We have a built environment in

19 parks and the natural environment. The built

20 environment -- facilities, swimming pools, any -- any

21 facility that is manmade -- will not be maintained,

22 will not be opened. There would be no staff. There

23 would be no provision of services, like trash pick up.

24 We probably take the trash receptacles out as part of

25 the, quote unquote, closure process.

1 But citizens would still have the ability to walk
2 in a trail, to go to a lake, to do anything in the
3 natural environment and at least until the trail would
4 grow over or what have you.

5 We would not staff in any way a state park that
6 would be closed. And that is essentially the
7 definition of close. No state -- no staffing of the
8 facility, and no access to the built facilities.

9 SENATOR D. WHITE: And what provisions are you
10 making for people that made reservations at any of the
11 park facilities?

12 MR. QUIGLEY: Well, that's a situation where,
13 frankly, we have to roll with the punches. So far we
14 have not seen any decrease or significant levels of
15 cancellations. I hope that continues. And I certainly
16 hope --

17 SENATOR D. WHITE: Whatever resolution comes out

18 will have a mathematical impact, but so far we haven't

19 seen an impact.

20 CHAIRMAN WHITE: Senator Dinniman, you have a round

21 two question?

22 MR. DINNIMAN: Yes. On this matter, what I don't

23 understand, I can understand the necessity to close a

24 park, but if you have a contract with a group such as

25 the Scouts, I cannot understand why that group can't go

1 in to the park and two or three people, if necessary,
2 management people, stay there just as if there was a
3 strike on, say, on the turnpike. Management people
4 would, you know, come in. I mean, I understand the
5 budget situation. I understand closure. But what I
6 don't understand is why you can't put together the
7 resources for a week when you have groups that have --
8 that are important to the Commonwealth and that have
9 made plans and that would lose significant amounts of
10 money.

11 So on one hand, all right, there's no money, we
12 close the park. But on the other hand, if there's a
13 contract and it requires very few people to supervise
14 the groups that are in there, and maybe the group can't
15 go -- can't use the swimming pool but maybe they can
16 make arrangements with you to have lifeguards to use

17 the lake. I mean, it's just a certain unwillingness
18 that I think is upsetting some of us on both sides of
19 the aisle. And why can't -- no matter what the budget
20 is, no matter even if there's a budget impasse, why
21 can't certain adjustments be made, if not to every
22 group at least to the largest of these groups?

23 MR. QUIGLEY: Well, what we will do, Senator, is to
24 try to make adjustments that are reasonable and
25 available to us. We have to look at each individual

1 agreement and I will -- I can't sit here today and say

2 that I know of specific instances where there are

3 cancellation clauses, but they are some of the things

4 that we would have to consider.

5 We also have to consider that even staffing

6 something on a minimal level involves dollars. It

7 involves costs. And opening up a facility or providing

8 staffing to accommodate a particular event has a cost

9 implication. And they're some of the things that we

10 have to look at. And why we presented a list of 50

11 parks for further analysis, because it's this kind of

12 case-by-case, agreement-by-agreement, park-by-park

13 analysis that we have to walk through to determine how

14 best to respond to this situation.

15 SENATOR DINNIMAN: Well, if you know ultimately

16 you're getting millions of dollars and you know

17 ultimately that you can close some of the parks, I

18 suppose the frustrating thing that we're trying to

19 understand is why can't -- why can't you assure us

20 that -- and you're talking potentially a couple --

21 you're talking maybe 10, \$12,000 to keep just that

22 section of a park open just for that group, that this

23 would be some priority at least in the Department

24 thinking.

25 MR. QUIGLEY: And individually and in an isolated

1 instant, Senator, I would agree with you. But as you
2 know, we have 117 state parks, so you can multiply this
3 dilemma. And it is a dilemma and it is one we feel
4 very keenly.

5 SENATOR DINNIMAN: But you can't have 117 parks
6 necessarily that are coming in with contracts.

7 MR. QUIGLEY: We may have multiple agreements in
8 117 parks, so we could be talking hundreds of these
9 situations. I suspect we are. That's why we have to
10 look at each one case by case. And I can't give you a
11 blanket answer. But I will pledge to you that we have
12 to put all of these examples that you and Senator White
13 have talked about under the microscope and see how we
14 handle them.

15 SENATOR DINNIMAN: Thank you.

16 CHAIRMAN WHITE: Just as a rap up, would you please

17 provide the committee with the amount of money that

18 DCNR received under the \$625 million Growing Greener

19 bond act?

20 MR. QUIGLEY: Certainly.

21 CHAIRMAN WHITE: Also how much was allocated to

22 each permissible use of DCR's money.

23 MR. QUIGLEY: Certainly.

24 CHAIRMAN WHITE: And how much money remains to be

25 committed and how much has not been encumbered, is that

1 a possibility?

2 MR. QUIGLEY: You'll have that today, Senator.

3 CHAIRMAN WHITE: All right. Thank you very much.

4 Are there any other questions from the committee?

5 Senator Mustio.

6 SENATOR MUSTIO: Thank you, Madam Chairman. I move

7 that we report to the full senate the nomination of

8 John Quigley as secretary of DCNR.

9 CHAIRMAN WHITE: Senator Baker for second.

10 SENATOR BAKER: Thank you, Madam Chair. Happy to

11 report the name as the second, and would just make note

12 that individuals that I have tremendous respect for

13 have weighed in on your qualifications and the job

14 you've done, John Oliver and others. So while we have

15 a fundamental disagreement on some of the issues

16 relating to the budget, it is certainly clear that

17 there are many people who believe you have the tools

18 and the experience and the background to do a good job

19 with the agency. So I'm happy to second the

20 nomination.

21 CHAIRMAN WHITE: Thank you, Senator. On the

22 motion, Patrick will call order.

23 MR. HENDERSON: Senator Baker?

24 SENATOR BAKER: Aye.

25 MR. HENDERSON: Senator Dinniman?

1 SENATOR DINNIMAN: Aye.

2 MR. HENDERSON: Senator Erickson?

3 CHAIRMAN WHITE: Proxy aye.

4 MR. HENDERSON: Senator Mustio?

5 SENATOR MUSTIO: Aye.

6 MR. HENDERSON: Senator Stout?

7 SENATOR STOUT: Aye.

8 MR. HENDERSON: Senator Vogel?

9 SENATOR VOGEL: Aye.

10 MR. HENDERSON: Senator Don White?

11 SENATOR D. WHITE: Aye.

12 MR. HENDERSON: Senator Anthony Williams?

13 CHAIRMAN WHITE: Proxy aye.

14 MR. HENDERSON: Senator Yaw?

15 SENATOR YAW: Aye.

16 MR. HENDERSON: Senator Scarnati?

17 CHAIRMAN WHITE: Proxy aye.

18 MR. HENDERSON: Senator Mary Jo White?

19 CHAIRMAN WHITE: Aye. The nomination will be

20 reported to the senate. Thank you, Mr. Quigley.

21 MR. QUIGLEY: Thanks, Senator.

22 (Proceedings concluded at 10:18 a.m.)

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1 I hereby certify that the proceedings and evidence
2 are contained fully and accurately in the notes taken
3 by me on the within proceedings and that this is a
4 correct transcript of the same.

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Heather L. Artz, RMR, CRR

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Notary Public

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