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July 10, 2017

House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

HUMAN SERVICES, MAJORITY CHAIRMAN

CONSUMER AFFAIRS

PA ATHLETIC OVERSIGHT COMMITTEE, CHAIRMAN

To: House Speaker Michael Turzai

CC: Majority Leader Dave Reed, Minority Leader Frank Dermody

Dear Mr. Speaker:

Pennsylvania is facing a financial crisis. To balance the fiscal year 2017-18 budget, lawmakers need to find \$1.5 billion in new revenue. Should we fail in this effort, ratings agencies threaten to further downgrade Pennsylvania's credit rating to one of the worst in the nation.

For years, the legislature has debated imposing a severance tax on the extraction of Pennsylvania's Marcellus Shale resources. Given the Commonwealth's dire fiscal picture, the overwhelming support for such a tax amongst Pennsylvania's citizens, and the bipartisan support this tax receives in the legislature, it is time to allow a shale tax vote to proceed.

The legislature cannot simply borrow its way out of Pennsylvania's fiscal crisis, setting the Commonwealth up for a litany of future financial problems. While an extraction tax would not solve all our budgetary issues, it is a crucial step toward putting Pennsylvania on the road to fiscal health.

The signatories of this letter have all authored legislation to enact a tax on the extraction of Marcellus Shale. This is not a partisan issue – Republicans and Democrats alike have put proposals on the table to help balance the budget and ensure that this vital industry pays its fair share to the Commonwealth.

The legislature should work together in a bipartisan fashion to pass a proposal that is fair, reasonable and responsible. We should solicit input from industry partners, ensuring that we do not overburden important job creators. This year's budget received overwhelming bipartisan support in both chambers. One of Pennsylvania's most significant industries can help support the important investments contained in this budget.

As leaders in the fight to enact a shale tax in Pennsylvania, we thank you for your prompt and serious attention to this matter. We urge you to bring a fair and reasonable shale tax to a vote as we work to finalize revenue solutions and resolve the Commonwealth's fiscal crisis.

Sincerely,

GENE DIGIROLAMO, MEMBER

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