

Senate of Pennsylvania

Session of 2023 - 2024 Regular Session

MEMORANDUM

Posted: March 17, 2023 10:43 AM

From: [Senator John I. Kane](#)

To: All Senate members

Subject: Predatory Pricing Repeal

On the surface, Act 12 of 2016 establishes a process that seems fair and reasonable to facilitate the acquisition of financially distressed public water and sewage systems for fair market value. In reality, Act 12 created a predatory pricing scheme that has allowed for-profit utilities to aggressively bid and acquire well-run and financially healthy public water and wastewater systems. Was this the legislature's intended goal?

Act 12 has been a disaster for ratepayers from the very beginning. The process removes the most basic protection we have in a democracy: the chance to have a voice in the process. The sales process lacks any citizen and ratepayer input, a needs assessment, and proper public oversight. Even worse, some private utilities are using Non-Disclosure Agreements to keep all information about a potential sale completely hidden. Rumors of a "rate freeze" are quickly replaced with utility bill rate increases of 30%, 40%, sometimes 75%. Regular Pennsylvanians are left holding the bag.

Several bills have been introduced to improve the Act 12 process. They are good bills and deserve consideration and a vote by the PA General Assembly. The more I hear from constituents and the more that I read and learn about Act 12, it has become clear to me that the right thing to do is to repeal Act 12. My legislation will completely repeal Act 12 of 2016, and halt the hostile takeover of publicly-owned water and wastewater systems in Pennsylvania, including but not limited to the Chester Water Authority and DELCORA in the 9th Senatorial District.

I'm proud to step up to introduce this legislation on behalf of the Pennsylvania Municipal Authorities Association which wholeheartedly supports this legislation, the Pennsylvania Constitution which guarantees access to pure water, and the ratepayers which deserve a break, not higher water bills.

Please join me in repealing Act 12 to ensure clean and affordable water to all Pennsylvanians across the Commonwealth.