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Hydraulic Fracturing Legislation Headed to Governor's Desk

Industry will generate 50,000 jobs, hundreds of millions of dollars in revenue and preserve the environment

SPRINGFIELD, IL – The GROW-IL (Growing Resources and Opportunity for the Workforce in Illinois) coalition applauds the members of the Illinois Senate for passing compromise legislation to regulate the practice of hydraulic fracturing in Illinois. The legislation, SB 1715, passed the Senate and now heads to the governor's desk.

"We are pleased that such a diverse group was able to come together and pass this well-rounded hydraulic fracturing legislation," said **Mark Denzler, vice president & COO, Illinois Manufacturers' Association and co-chair of GROW-IL**. "After very long and detailed negotiations, everyone put the people of Illinois first and came together to establish hydraulic fracturing regulations that will create jobs, stimulate the economy and provide regulations to protect our environment, all of which will have a significant impact on Illinois."

"The working men and women of organized labor appreciate the hard work by all parties that has gone into this significant agreement," said **Michael T. Carrigan, president of the Illinois AFL-CIO and co-chair of GROW-IL**. "This will result in good paying jobs for working families in Illinois."

"Once the governor signs this bill, my industry is ready and willing to explore and produce in Illinois under the negotiated agreement," said **Brad Richards, president of the Illinois Oil and Gas Association**. "The confluence of business, labor, environmental interests and bipartisan Springfield representation to find compromise has been gratifying."

This comprehensive hydraulic fracturing legislation has earned the support of a diverse group of elected officials and industry representatives including Governor Pat Quinn, Attorney General Lisa Madigan, Illinois' business community, energy companies, transportation groups, labor unions, Sierra Club, Natural Resources Defense Council, Illinois Environmental Council, Farm Bureau, Illinois EPA, and Department of Natural Resources. The final compromise represents an unprecedented group of stakeholders coming together to create a solution unique to Illinois.

The legislation has several important highlights:

- Studies indicate that 50,000 jobs may be created in manufacturing, mining, trucking, rail, engineering, road building, construction, and other sectors, many of which will be represented by organized labor.
- Millions of dollars from the taxes on production, increased economic activity, and fees to permit drilling will be generated by this legislation. An initial tax rate of 3 percent in the first two years of production will be followed by a graduated rate between 3 and 6 percent creating substantial revenue for Illinois.
- Strong safeguards exist in the legislation mandating standards on well construction, closed loop water storage, extensive chemical disclosure, air pollution protections and testing of ground and surface water – before and after fracking occurs.
- Producers will pay a \$13,500 initial fee on every permit application submitted to the Department of Natural Resources. The Illinois EPA and Department of Natural Resources will share the revenue to hire sufficient staff to review and process permits, ensure compliance, and inspect well sites.
- Incentives in the bill exist to encourage the hiring of Illinois residents.
- The bill requires residents to be notified in advance so that they may engage in the entire process by submitting public comments prior to the permit, appeal issued permits, and file citizen lawsuits to enforce the law.

For a full list of coalition members visit: <http://grow-il.org/coalition-members/>

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W-IL is a diverse coalition of more than two dozen business, labor, construction, transportation and agricultural organizations focused on passing common sense hydraulic fracturing legislation in Springfield and are led by three co-chairs: Illinois Manufacturers' Association, AFL-CIO and the Illinois Petroleum Council. For more information, visit www.grow-il.org

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