

STATE OF ILLINOIS
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101st Legislative Day

7/26/2007

Speaker Turner: "We will now convene our regular Session. And with leave of the Body, we will adopt the Quorum Roll Call for Special Session #1 to be the Roll Call for the regular Session. Leave is granted and a quorum is present for Special Session #... for regular Session and we will now proceed with the business of the regular Session. On page 8 of the Calendar there's Senate Bill 1167. Read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 1167, a Bill for an Act concerning property. Third Reading of this Senate Bill."

Speaker Turner: "The Gentleman from Cook, Representative Lang."

Lang: "Thank you, Mr. Speaker, Ladies and Gentlemen. As you know, on the issue of predatory lending, we had been working for some time on this and a year ago we passed a Bill that became law dealing with predatory lending and a database, et cetera. It was a contentious Bill; it passed. And subsequent to its passing, the Governor, through some rule-making, basically knocked out the enforcement mechanism forcing us to come back here again this spring and earlier this spring on a very close vote, with the opposition of mortgage brokers we passed a Bill to the Senate. That Bill stalled in the Senate and through a lot of negotiations came this work product, Senate Bill 1167 which as amended is an agreed Bill. The Mortgage Brokers Association is for the Bill and signed in for the Bill in committee. Some of us have been maybe hearing from a few individual mortgage brokers who don't want to be told anything about what to do, and I understand that. But I just want to make it clear to... at the outset, that the Association of Mortgage Brokers worked

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with the Sponsors and the advocates, helped draft the Bill and in fact, do support the Bill. The differences between this Bill and the Bill we passed earlier this spring, Senate Bill 1674, are several. Let me try to give ya the highlights. First, it removes a three hundred dollar (\$300) fee imposed on mortgage brokers to help create the predatory lending database. It removes the financial fee rollbacks... the financial institution fee rollbacks, clarifies the... a provision which would require brokers to verify a borrower's ability to repay by using language used in the federal guidance adhered to by federal and state banks, clarifies a provision creating an agency relationship between the broker and the borrower which, of course, is critical to make sure that the broker is in a position to actually be an advocate for the borrower. This agency cri... relationship is critical. Adds a provision permitting a licensee to request written interpretation of the Residential Mortgage License Act from the department and amends several provisions of the predatory lending database program including changing the triggers that require counseling. This is, again, as I say is an agreed Bill among all the participants of the negotiations. No one was left out of the negotiations. I would ask for your support."

Speaker Turner: "The Lady from Lake, Representative Osmond."

Osmond: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Osmond: "Representative Lang, is there any criteria set up in this Bill that deals with the credit scoring aspect? If you

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have a credit score of 700, are you still going to be subject to this?"

Lang: "If... Representative, this is based on the loan product only not the person's credit score, if you're referring to the database."

Osmond: "I'm sorry. Could you repeat that again?"

Lang: "The credit score is not a factor in this Bill."

Osmond: "So, in other words, if a person comes in and they have an 800 credit score, they still would be subject to getting the education that's necessary in applying for this mortgage?"

Lang: "Well, there are two separate portions to this Bill, Representative. One deals with the predatory lending database which is Cook County only."

Osmond: "Okay."

Lang: "The other refers to the triggers for counseling and yes, regardless of credit score, if a person meets one of those triggers, they would be required to have the counseling."

Osmond: "Well, wouldn't you agree, if the person has established themselves with a decent credit score of 750 or higher, why would they even be subjected to this?"

Lang: "I would suggest to you, Representative, that credit score should not be the criteria. A person could have a high credit score and yet, not be understanding or educated in the kinds of different loan products there are or why one would be better than another or why one payoff program would be better than another or about how one affects, not their credit score, but their financial future."

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Osmond: "If I was living in Cook County and I applied for a mortgage, at what time in the applying for a mortgage, would I be subject to getting this education that's needed?"

Lang: "This would be after the loan is originated and approved."

Osmond: "Wait a minute. If the loan is originated and approved, then you have to go and find out if it's a good loan? Is that what you're saying?"

Lang: "You would then, if... if you meet the triggers, not every loan... not every loan would be triggered by this Bill. If you meet one of those triggers and you must get counseling, then after the loan were approved, you would get the counseling."

Osmond: "Would... would you give me an idea of what the term 'triggers'? What... what triggers this, please?"

Lang: "All right. Representative, so, first, this is only for first-time home buyers."

Osmond: "Okay."

Lang: "And... or... or if there's refinancing involved. And then, what... these five triggers... one of these five triggers have to kick in. And I'll be glad to read them to you. It would be a loan that permits interest-only payments, a loan that may result in negative amortization, a loan where total points and fees payable to the borrower would exceed 5 percent, a loan that would include a prepayment penalty or a loan which is an adjustable rate, closed-end mortgage, that allows for interest to adjust during the first 3 years."

Osmond: "Thank you. To the Bill. I still am not comfortable with this Bill. I feel that if a certain... if an individual has established their credit score higher than 725, I think

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that they should not be subject to this whatsoever. They've already learned how to use the credit. That they... they can... there's sources out there that they can go and establish what type of mortgage that they want to apply for. And I urge a 'no' vote."

Speaker Turner: "The Lady from Cook, Representative Mulligan, for what reason do you rise?"

Mulligan: "Representative Lang... Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Mulligan: "Is this only for a first-time mortgage borrower?"

Lang: "Are you talking about the counseling?"

Mulligan: "Yes."

Lang: "Then the answer is 'yes' unless there's a refinance involved."

Mulligan: "All right. So, what if you're... you're refinancing your home for a better rate than what you originally had? Some mortgage lenders, if you got a good loan to begin with, are pretty liberal in allowing you to refinance with no cost to a better rate. So, why would you then need counseling?"

Lang: "Well, first, Representative, not every loan would involve count re... counseling unless it met the triggers that are in the Bill, the triggers that I just read to you. Secondly, if that were the case and one of the triggers was met, the counseling wouldn't take too long."

Mulligan: "No, but it might be long enough where you would miss an opportunity because a rate doesn't always last more than a week."

Lang: "Well, the rate, generally speaking..."

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Mulligan: "The rate's going up and down now."

Lang: "Yes, but... but Representative, when you go to your broker and you sign the papers and the loan originates, you've locked in the rate and so the counseling, even if it took place three or four weeks after that, wouldn't affect the rate."

Mulligan: "Three or four weeks would be a considerable length of time if you're using it as a bridge loan to get into another home that you may have found in order to move and then you couldn't get that, either a second mortgage to use as a bridge loan or an opportunity for a better rate. So in one part of this you're protecting people, in the other part it... part of it you're really causing them major problems."

Lang: "Representative, three or four weeks would be the extreme case. We anticipate, especially if this Bill passes because we're going to be expanding on this counseling industry, that most counseling can take place within two weeks very easily. Additionally, when a person would go to the broker to get their mortgage, these brokers are going to start to create relationships with these counselors and it mi... if somebody was in a hurry, they might prevail upon the broker to get them their counseling a little more quickly. Seems to me this issue that you're raising is a red herring."

Mulligan: "Who decides who a reputable counselor is and who pays for this? And if the mortgage lender is paying for it, don't they somehow include the cost to be passed through to the borrower?"

Lang: "These would be HUD-certified agencies, Representative, so the Federal Government certifies them. And the other part

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of your question is, the broker would be responsible for the three hundred dollar (\$300) fee or what we estimate as a three hundred dollar (\$300) fee. Some of the brokers will pass that on to their clients, some will not."

Mulligan: "All right. So, and I won't mention names, but there are some major mortgage brokers who part of the interest in having your mortgage with them is because they offer a certain number or an unlimited number of times where you can refinance down for no cost. They will allow you to refinance for a better rate. Don't you think that would put an end to it if you're someone that falls in that category and you can go from six and a half to five point nine and they don't charge you anything for it but they have to give you counseling that costs them three hundred dollars (\$300). Why would they continue to do this without charging you?"

Lang: "Well, firstly, Representative, it doesn't sound like the loan you're describing would meet one of the triggers. Secondly, I would say to you, that..."

Mulligan: "It'd be a refinance."

Lang: "It'd still has to meet one of the five triggers. It's not every refinance. So, the second... the second part of your comment relate... related to these brokers and you hear some of them on the radio who talk about never pay a nickel out of your pocket, come to us every three weeks, we'll refinance your loan, et cetera, et cetera. Those folks will still be in business, in fact, the guy I hear mostly on the radio talking about this is a guy who says, 'we make plenty of money; we don't need to charge you costs.' I assume he'll still make plenty of money."

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Mulligan: "I don't think any of them are hurting, quite frankly.
But my problem with some of this is is..."

Speaker Turner: "Want to bring your remarks to a close."

Mulligan: "I'm bringing them to a close. I'm not particularly
thrilled with all of this and I'm not happy that it came up
at this length of time without going over it again. We've
argued about this in JCAR; we've argued about it for the
last couple years. I'm not entirely sure that the terms and
the people that they're trying to help actually help them.
So, I'm a little concerned about it."

Speaker Turner: "The Lady from Lake, Representative May, for
what reason do you rise?"

May: "A question of the Sponsor."

Speaker Turner: "Indicates he'll yield."

May: "Yes. Thank you. I understand that you very clearly said
that the Illinois Association for Mortgage Brokers are now
in favor of this, but I'm hearing from constituents and I
need to answer, are the 5-, 7-, and 10-year ARMs included or
are they exempt from these restrictions of counseling?"

Lang: "They're exempt from counseling. Only the 3-year ARM.
Anything under 5 years... anything under 3 years, sorry.
Anything under 3 years meets the triggers; anything over 3
years does not meet the triggers."

May: "So, because these... I mean, it's not just one person.
There are quite a few people. They're telling me that the
5-, 7-, 10-year ARM are really very simple products. How
did we arrive at 3 years versus 5 or 7 years?"

Lang: "Typically, oh, for the last years that we've been
studying it, is the... it is the... the ARM that's under 3 years

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that has created the problem with predatory lending. These... Where... where people keep flipping loans and flipping loans and... and making fees and putting people in and out of products that are not suitable for the... for the individual customer."

May: "Do..."

Lang: "And so, you... you can imagine that the longer the... the longer the ARM is, the less likely it is that the broker is doing it to abuse the customer."

May: "So, do you know what percentage of the foreclosures are for say 3 years? I mean, you're saying the majority, but it seems to me 3 and 5 and 7 they're... they're very similar. They're... ya know, just 2 years and if... if the product is simple, why wouldn't we include the 5 or 7, make them exempt also?"

Lang: "Well..."

May: "I mean, is it that there's a... a cliff that you drop off. What sort of percentages are we talking about?"

Lang: "I'm... I'm not sure we have those. Bear with me. All right. We... we don't have those specific numbers, but the answer to your question is, 'yes' it's a significant difference. But... but if you take a look at what this is all about and certainly this doesn't involve every mortgage broker, in fact, it's a very small sliver. But we're aware that there's abuse in this system which is why we've tried to make this Bill our law, why we passed the Bill last year and it's... it would seem just, on its face, clear to me that the... the lower number of years gives more opportunity for abuse if anybody wants to abuse the system or wants to abuse

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their own customer because then they'd have to come back to 'em in 2 years or 1 year. The 1-year ARM, you can imagine, would create more abuse than the 10-year ARM."

May: "Mmm mmm. And the 30-year fixed, the same thing? It's... it's excluded or included for counseling?"

Lang: "That is not included."

May: "Okay. That is not. Okay. Well, I guess my concern is that and I appreciate the fact that you're saying that there is some difference from... from the study. How long has this study gone on where we've seen this? What... How many years of data?"

Lang: "There wasn't a specific study, Representative, but... but the mortgage brokers and those who have been studying this for a while have looked at the facts and figures. They've looked at predatory lending as a whole and tried to determine where to draw some lines to be protective of the customers, of those folks who are goin' to mortgage brokers to make sure that we can take as much abuse out of the system as possible and again, 'cause there are mortgage brokers listening, I'm not condemning any of them. We have a very small sliver of people in this industry who have not played the game fairly and that's what we're trying to accomplish here."

May: "Okay. Thank you. Do you think... do think there's any chance that in the future that 5 or 7 years could be included in the law or is anyone open to that?"

Lang: "My thought is that we should pass this as it is, take a look at it for a while, and if it turns out that anything we

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do here needs to be expanded or contracted, we can always take a look at that and do that."

May: "Okay. Ya know, I... I'm still listening to the..."

Speaker Turner: "Bring your remarks to a close."

May: "Thank you. I'm listening to the debates, but I am concerned that this... that the cost of this will be passed on to... to people and someone who could get the advantage of, ya know, a different product, a fairly simple product. That's my concern. I'll continue to listen to the debate."

Lang: "Let me... let me just say to that, Representative, that where brokers will be in competition with each other and brokers that want to advertise, were not passing this cost on, will probably get more business than those who do pass the cost on. So, I think in time brokers will be paying all of these costs."

May: "...you."

Speaker Turner: "The Gentleman from Cook, Representative Riley, for what reason do you rise?"

Riley: "Will the Gentleman please yield?"

Speaker Turner: "Indicates he will."

Riley: "Representative Lang, just have a few questions for you. First of all, was there any study about the impact from a community development standpoint, the impact of foreclosure on neighborhoods and communities, based on these and other kinds of predatory lending practices?"

Lang: "I be... I believe the answer to that question is 'yes', but I don't think, ya know, it's necessarily a formal study. You'll recall in the Bill we passed some time ago, you weren't here Representative, but the Bill we passed some

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time ago specified certain zip codes where the record was very clear that there was more and more abuse going on within those zip codes. This is a little broader, not dealing with the issue of specific zip codes but certainly creates a situation where we can protect all neighborhoods. And, of course, the database is for the City of Chicago only."

Riley: "Okay. So, to that extent, if these communities or towns were in the process of trying to attract business or trying to develop new homes, that foreclosures would be an impediment frankly to that, if there were a string of foreclosures along a block or... or something of that nature."

Lang: "Can you ask the question again. I'm sorry."

Riley: "I said, so, if there were plans for a community to do some community development to develop retail or commercial or build other homes to the extent that, ya know, those areas were subject to a lot of foreclosures and a lot of other housing problems, frankly, ya know, that would be a problem. That would be a problem or an impediment to that development."

Lang: "It... it's clear that if housing developers or people that want to develop commercial or retail sites within a community see a lot of foreclosure going on that would be something that would make those people say maybe this isn't the right community for us. So... so, I think the logical extension of your question and my answer is the kind of Bill we're talking about here can help forestall that and in the end help community development."

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Riley: "What would you say to maybe someone in the profession that... that would look at a Bill like this and say that somehow it is that restraint of trade, restraining their ability to do business?"

Lang: "Well, I would disagree with that strongly. This is a Bill to protect consumers. No one in any industry likes any Bill we ever passed here that tells them to do anything or asks anything of them. Well, this is a very fair piece of legislation. The most interesting part of this for me is crea... the creation of the agency relationship. As an attorney, I understand what that means. It means that it has put certain duties on the broker in this situation. And it's a duty to say to that borrower, we are going to make sure we put you in the best possible product for you, Mr. Borrower, not for me, the broker because that's been happening clearly. We're going to put you in the best possible product for you and I, the broker, will be accountable if I don't do that well, if I don't do that right and you will have the opportunity to come back to me, legally or otherwise, if I have put you in the wrong product. I think brokers ought to be doing that. I think to say to brokers you can put anybody in any product you want, maybe you put 'em in the wrong product, but you do it 'cause you get the highest commission or maybe you put 'em in the wrong product because you'll get a second and a third and a fourth commission as you continue to turn this loan over, over and over again. That's what we're trying to avoid here. I don't think that's a restraint of trade and I don't think that's a heavy burden."

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Riley: "Thank you, Mr. Representative."

Lang: "Thank you."

Riley: "To the Bill, Mr. Speaker. Ya know, I remember, especially such as a young planner in Chicago back in the '70s, I remember the Contract Buyers League controversy. I remember dis-investment in South Shore. I remember all of those... all of those things that really were an impediments to the city in different neighborhoods in the city developing. I think that this Bill is a good Bill. I think that there was a consensus in the crafting of this Bill. And I ask for its support. Thank you."

Speaker Turner: "The Gentleman from Cook, Representative Durkin, for what reason do you rise?"

Durkin: "Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Durkin: "Representative Lang, could you explain to me the role of the Attorney General in this legislation?"

Lang: "I will in one moment."

Durkin: "Okay."

Lang: "The Attorney General is given the power to enforce violations of the legislation."

Durkin: "Would they have exclusive jurisdiction to enforce this law or would it be something that a local state's attorney as well, would have the ability to enforce?"

Lang: "Well, the first layer would be the departments that are involved by this, state agencies... under this Bill, it would be the Attorney General that has the power beyond the agencies."

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Durkin: "Okay. But they are the lone prosecuting agency that would have the ability to enforce this. We wouldn't leave it to the local state's attorney. They have exclusive jurisdiction under this Act, correct?"

Lang: "Beyond the power of the state agencies..."

Durkin: "Right. Sure."

Lang: "...the... the prosecutorial end of this would be the state... the Attorney General."

Durkin: "Correct. Thank you."

Speaker Turner: "The Lady from Cook, Representative Monique Davis."

Davis, M.: "Thank you so much, Mr. Speaker. Representative Lang, you may be and you may not be, but I just wonder, are you familiar with the reason this Bill became needed in Springfield?"

Lang: "Certainly."

Davis, M.: "Would you address that, please?"

Lang: "We have had over a long period of time in Illinois a sit... and probably other states as well, I'm certain other states as well... situations where a small sliver of mortgage brokers have taken advantage of their customers in a way that has cost those customers thousands of dollars in fees and/or worse put them in a situation where they were in the wrong product or a product they could not afford which caused massive foreclosures and this is designed to protect the customer in these situations."

Davis, M.: "Representative, as you promote this legislation and you know that I strongly support it, what do you think will be the end result in the State of Illinois in reference to

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bankruptcy, home foreclosures, homelessness? What would you say will be the final result after this Bill is implemented and when is the implementation date, what is the date?"

Lang: "It is... Well, firstly, this is effective July 1, '08. That's to give everybody time to gear up to do this properly. Secondly, Representative, I would anticipate that the result of this Bill, if given time, and if it works as we hope it will, that it would lessen bankruptcies and foreclosures. It would put people in products they could afford. It would put mortgage brokers in a position where they were doing right for their customers and thereby, their customers would probably bring them more business and I think would dramatically impact the stability of our communities all across our region."

Davis, M.: "Thank you. To the Bill, Mr. Speaker."

Speaker Turner: "Yes."

Davis, M.: "As a Legislator in the State of Illinois, a few years ago, I, along with others, attended basement and church meetings filled with people who were losing or had lost their homes. They brought in mortgage papers that showed in tiny, tiny writing that they were subject to an increase in their interest in 4, 5 years. They had no idea that this huge increase in their interest would increase their mortgage payments beyond their income or their ability to continue the ownership of that property. In a America, one of the greatest things we all have, the ability to own a home, many times when people start saving and go to work, the first interest they have is providing a home and shelter for their little ones and their family. And to have

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someone, someone with greater knowledge in reference to loopholes in the laws or ability to skim over this or skim over that, to take advantage of these Americans, of these Illinois citizens, is not what we can afford to let continue. In the State of Illinois we have some laws that are geared toward the protection of our citizens."

Speaker Turner: "Bring your remarks to a close."

Davis, M.: "I will bring it to a close, Mr. Speaker, after I say this. It took a great deal of negotiating, a great deal of arm twisting, a great deal of providing information to get all of those interested parties onboard and they all support this legislation. I commend you, Representative, and this should be a unanimous 'yes' vote. Thank you."

Speaker Turner: "The Gentleman from Cook, Representative Fritchey, for what reason do you rise?"

Fritchey: "Thank you, Speaker. Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Fritchey: "Representative, I have a question and if the answer is it was covered while I was downstairs, I'll suffice that. I don't want the chamber to go through it again. But was there a discussion as to covering these lenders without covering banks and other financial institutions and if they're not, a justification against for the disparate treatment. Let me, if I may, let me... let me just clarify where that's coming to me from is actual communications that I've had from constituents that say we're not the ones that foreclose people and I understand part of the argument may be, well, you don't foreclose them, but you may put them in the product that was inappropriate and they can't handle.

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But I'm just wondering, obviously, what we don't want to do is try in good faith, to regulate a portion of a global industry only to drive the problem to another sector. So, my question would be, I guess, I know you well enough, you know me well enough, has there been thought or discussion over the rationale between not having all lenders equally covered under these types of regulations?"

Lang: "That would be an interesting thing to do, Representative, but banks are not covered because they're covered under specific Federal Law and federal guidelines while as brokers are not. Brokers are governed under State Law."

Fritchey: "But the Federal Laws and guidelines, to my understanding, are not and perhaps they well should be, but are not as stringent as what we are trying to do here. Is there a concern, again, that we are creating an uneven playing field and perhaps simply driving people... ya know, perhaps hurting one industry, in the interest of consumer protection, but driving those consumers simply to another portion of the industry where they will be potentially, I don't want to say victimized, but potentially led astray again?"

Lang: "So, first, it would be important to note that these provisions for the mortgage brokers mirror the federal guidelines for the banks. So, they're very... they're very similar. Second, we don't... we rarely see, although it probably has happened, any kind of predatory lending from our banks and our federally chartered financial institutions where we do see it from a small sliver of brokers."

Fritchey: "And where would that leave state-chartered banks?"

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Lang: "State-chartered banks, if they're FDIC insured and all of them are, have to follow the federal guidelines as well."

Fritchey: "So, you're saying that if this legislation were to become law that it would take the mortgage brokers and hold them to the same standards that banks are held to today?"

Lang: "That's my understanding."

Fritchey: "I appreciate it. Thank you."

Speaker Turner: "The Lady from DuPage, Representative Bellock, for what reason do you rise?"

Bellock: "Thank you very much, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Bellock: "I just wanted to ask one other question about people that do go under counseling, when we originally discussed this Bill, I think their private financial records were then turned over to the Department of Financial Regulation. Is that still in this Bill?"

Lang: "The information that goes into the database is shared with the department, but the department has created rules to deal with encryption and safe storage of the data."

Bellock: "So, then you're saying that people's fin... private financial matters will be turned over to a state database? Anybody that's got the counseling... received the counseling."

Lang: "The answer to your question is 'yes', but please..."

Bellock: "Thank you."

Lang: "...recall what I just said about the rules. This data has to be encrypted; it cannot be accessed by just anybody in the department or anybody in State Government."

Bellock: "Thank you."

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Speaker Turner: "The Gentleman from Cook, Representative Ford, for what reason do you rise?"

Ford: "I rise in support of the legislation. Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Ford: "Representative Lang, my question, number 1) is: is the intent of this Bill to put mortgage brokers at a competitive disadvantage?"

Lang: "Thank you for the question, Representative. It is not the intent of this legislation to create a competitive disadvantage for residential mortgage licensees in the area of stated income loans. The language has changed so that mortgage brokers can still originate stated income loans to qualified consumers, as long as they adhere to the language in the Bill about relying on mitigating factors as mentioned in the recently announced federal guidance."

Ford: "Thank you. Also, Representative Lang, is it true that people fresh out of college, no experience with credit, could possibly benefit from high credit scores without any knowledge about the credit?"

Lang: "That's correct, Representative. That's the point I was trying to raise earlier to a previous Legislator who asked about credit score. A person could have a very high credit score but have no knowledge about financial instruments: mortgages, loans, ARMS, points and any of the other terms of art that are used in the mortgage business."

Ford: "Thank you. Also, if a person's buying a house, they have to use their income taxes. Is that correct?"

Lang: "Generally speaking, income tax returns would be used."

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Ford: "And... and those are the ones that when a person uses their income taxes, aren't those filed with the state and with the Federal Government? Income taxes are filed with the state."

Lang: "We certainly have state income tax returns..."

Ford: "Right."

Lang: "...and federal income tax returns."

Ford: "So, we file those... those income benefits with the state anyway, so it's already record with the state. Is that correct?"

Lang: "Certainly, the income tax returns would be, yes."

Ford: "And that... that reveals the person's income."

Lang: "That is correct."

Ford: "Also, the fact that we have a problem in the State of Illinois with foreclosures, would you think that it would be wise of us to ignore this problem or deal with the problem?"

Lang: "Certainly, those of us who are concerned about foreclosure and bankruptcy and those of us who believe that some of us... some of this has come, certainly it's been proven in certain areas of the City of Chicago and elsewhere in the state, some of this has come clearly from a predatory lenders who have taken advantage of customers and homeowners and taxpayers of our state. Surely, we should be taking some note of this. In fact, this chamber has now twice passed a similar Bill to this and this Bill is only a better Bill because it has been agreed to by all sides. This is certainly something we ought to address."

Ford: "Thank you. And to the Bill. House Bill 4050 was a Bill that I was totally against. Senate Bill 1167 is a Bill that I think was crafted and had a lot of work put into it. And

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I think about laws that we have today in the State of Illinois a simple law like driving down the street when... in the middle of the night and no one's on the street and a stop sign is there, should we have to stop? Everyone has to abide by the law. Some people just... it doesn't seem like ya have to abide by the law because it doesn't seem applicable at the time. So, for people that feel that people with high credit scores, people that... that have a lot of money that they shouldn't have to worry about counseling. Sometimes in a society, we all have to live with what's beneficial to other people and in this instance, I believe that counseling is good for many people. Document review is good for many people and those that may not need it I think we have to look out for what's good for the majority and how we could save those people in need in Illinois. And for that I support Senate Bill 1167. Thank you."

Speaker Turner: "The Lady from Cook, Representative Bassi, for what reason do you rise?"

Bassi: "Thank you, Mr. Speaker. Will the Gentleman yield?"

Speaker Turner: "Indicates he will."

Bassi: "Representative, if you walk into a credit union, do you have to... and want to 5- or a 7-year no interest loan, do you need counseling?"

Lang: "No."

Bassi: "If you walk into a bank and you want to 5- or a 7-year..."

Lang: "Right."

Bassi: "...no interest loan?"

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Lang: "I'm sorry. I'm sorry. One second. All right, let me go back, Representative. If it's an interest only loan, it triggers counseling."

Bassi: "Yeah. But I think that it... the credit unions, banks and savings and loans are monitored by the Federal Government not by the state. Isn't that correct?"

Lang: "Correct."

Bassi: "Okay. And my understanding is it's not enforced very carefully, so in effect, the only people that will really be impacted by this will be the mortgage brokers. Isn't that correct, because they're under the auspices of the state?"

Lang: "I suppose you're, on the surface, correct, Representative. But we don't see the predatory lending practices coming out of our banks. We do see it coming out of a small sliver of mortgage brokers who have taken advantage of people."

Bassi: "Yeah. But they... but these folks could go into any one of these others, three institutions, which are right next door to a mortgage broker and get a no interest loan without the counseling, at least that would be the supposition, right? Another question..."

Lang: "Assuming they qualify, yes, they could."

Bassi: "Thank you. Since the top pieces for forged... foreclosures would be job loss, health crisis, high utility costs, high property taxes, disability, or a death in the family, how is this law going to stop any foreclosures, if any of those issues are in place?"

Lang: "Well, it's not going to stop foreclosures of people that lose their jobs and can't pay back or become ill and can't

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work or some of those other things you mentioned, but Representative..."

Bassi: "But those... but those are the top reasons for people losing their... being in a position for foreclosure."

Lang: "Well, even if I accept that from you and I haven't seen the statistics, but even if I accept that as true, we still have a very significant sliver of people who are losing their homes because they've been put into inappropriate mortgage products by brokers who have not had the best interest of their customer at heart but only the best interest of their own pocketbook. And again, this isn't to criticize certainly every mortgage broker in Illinois as a vast, vast, vast majority of them are appropriate, legitimate businessmen and businesswomen doing the right thing, but we have a number who are not and we... because of that number who are not, we've had people lose their homes, who've foreclosures and bankruptcies and the... the practices of predatory lending in the state or clear and stark and cannot be ignored."

Bassi: "To the Bill, Mr. Speaker. My stance on something like this is that we are trying to legislate, again, for a small minority of individuals who might be not doing well with the law and again, we are trying to legislate morality. I stand in opposition to the Bill. Thank you."

Speaker Turner: "The Lady from Cook, the final speaker, Representative Currie."

Currie: "Thank you, Speaker and Members of the House. I think this is a measure that is carefully crafted to deal with a very real, a very severe and a very growing problem across

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our urban and suburban landscape. There were articles in the paper just the other day about problems of foreclosure even in affluent areas like Highland Park. There's no question that bankruptcies, that problems in health care, problems of employment, problems of divorce, often trigger crises with the family home. But the issue here is that the people who are most likely to end up losing their home, when those crises hit, are those who had been enticed into inappropriate financial arrangements to try to buy a home. There's much made of the distinction between bankers who are federally regulated and mortgage brokers who today are not federally regulated. All we're trying to do here is to make sure that there is some regulation of the brokers so that we can protect consumers who out of naiveté, out of lack of linguistic ability, for whatever reason find themselves well in over their heads. Now, it's my understanding that all that happens here for triggering counseling are exactly the kinds of things that should trigger counseling. If someone is offered the opportunity to do a 10-year interest only mortgage, that's someone who oughta go to counseling to make sure that that individual knows that at the end of that 10 years they have no equity in the home, not one penny. It seems to me interest-only mortgages may be okay for people in some circumstances, but I think we should be suspicious when people are encouraged to enter into an arrangement that means that they will have nothing in that house should they face a financial crisis on the job or through a divorce or through a health care problem. If the fees are excessive, if the total points and fees are going to be over 5 percent,

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that should trigger counseling as well. If, in fact, this community cannot offer competitive opportunities, then maybe someone should be going and looking someplace else for help. While it is true that any interest-only payment will trigger counseling, only the adjustable rate mortgages of more... of less than 3 years, 3 years or less, will trigger counseling as well. So, there's been some discussion about whether 5-year ARMs or 7- or 10-year ARMs would trigger counseling, the answer is they don't. Finally, Speaker and Members of the Assembly, let me just point this out. Nothing in this Bill says the broker or the bank may not offer a 10-year interest-only mortgage, nothing says that the points can't be more than 5 percent, all this does is to say that when the financial arrangement offered meets these criteria, the consumer oughta have a chance to talk to somebody, a credit counselor, who can give them some guidance about whether this mortgage makes sense for them. That's all this measure is trying to do. And if it turns out banks are cheerfully offering... federally-chartered banks are cheerfully offering 10- or 15-year interest-only mortgages, my guess is from reading the newspaper, my guess is that the feds themselves will decide to crack down because that is not in the interest of most of the consumers, most of those people who are trying, as Representative Monique Davis said, trying to achieve the American dream, trying to own their own home. This is a good Bill. It's a reasonable Bill. It's a responsible Bill. It will protect consumers without saying 'no', without prohibiting loans that... that are at stake so people can go out and continue making their sales. We just

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want to make sure that vulnerable consumers are not left holding the bag at the end of the day. I urge your 'aye' vote."

Speaker Turner: "The Gentleman from Vermilion, Representative Black, for what reason do you rise?"

Black: "Thank you, Mr... Thank you... I'm sorry, Mr. Speaker, I was talking into my flower. Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Black: "Does somebody have a breath mint, the flower just died. I'm sorry. Well... Representative, the database concerns me and I know databases concern you as well. You said it was encrypted, but you and I, and I daresay everybody on this floor, every day gets contacted by finance companies, mortgage companies, credit card companies, they seem to be able to access a great deal of our financial data. And my fear is that this Cook County database, even though you say it is encrypted, will suddenly be out there in the public realm. Somebody is going to be able to get into that database. Are you holding the clock for me, Mr. Speaker?"

Lang: "Mr. Black, we're going to make sure as best we can that the department and JCAR work together to create rules that are the most stringent we can possibly come up with to protect this data. Let me also point out to you, as Representative Ford did, that people already file their income tax returns with the state. So, everyone files an income tax return that will have less stringent restrictions upon that data than we are going to put on this database."

Black: "You said we already file our income tax forms with the state. Do we have a state income tax?"

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Lang: "We do and we should have a little more talk about what that tax..."

Black: "Well..."

Lang: "...is, don't you think, Sir?"

Black: "You and I could have that, but it just dawned on me, I don't think I filed for the last 5 years. Can I get an extension?"

Lang: "I don't know. There are many lawyers on the floor who could help you, Sir."

Black: "I think the Ethics Law prevents us from doing that. Look, let me ask ya. There's a record service that puts out some information that I found very interesting. In 2006, mortgage brokers accounted... in Cook County for 55 percent of the mortgage foreclosures while everyone else, national banks, savings and loans, finance companies, owner financing accounted for... for almost 45 percent of the foreclosures. I... What I don't understand about this Bill and you have mentioned it several times, if there are bad actors and there are, we all know that, why don't we more aggressively go after them rather than make every mortgage company go through certain hoops, go through counseling, et cetera, et cetera, et cetera. There are many mortgage companies out there that do an excellent job and the marketplace reflects that. Many of them, most of them are doing very well. There are some bad apples, but why do we make a whole industry jump through hoops when maybe less than 5 percent of them are doing things that obviously we don't want to see done."

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Lang: "Representative, this Bill as written will weed out those bad apples and make the system better. So, the most interesting parts of this Bill, as I see it as one person, are creating the agency relationship which is an important term of art, as I know you understand it. It creates certain responsibilities for the broker with the borrower and this would be whether it's a... a loan that is trigger... triggering counseling or is not a loan that's triggering counseling. Every... every broker should be in a position where they are an agent, where they are responsible to find the best and safest product for every customer that they have. Secondly, this Bill requires that the broker determine up-front with all available data whether the loan that they're procuring for their customers is one the customer can pay back. There is no such law today, no such regulation today for brokers and thereby, we will weed out the bad apples because the bad apples will not want to do this agency relationship and they will not definitely, for sure, want to be people who insure that the customer can pay back the loan. That's never been their interest before."

Speaker Turner: "Bring your remarks to a close."

Black: "Umm... Mr. Spea..."

Lang: "This would force them, Mr. Black, to deal with that very important issue and thereby, eliminate many of the foreclosures that they cause."

Black: "Mr. Speaker, can I have about a minute and a half 'cause he was talking to staff for a minute and a half. I just have two more questions."

Speaker Turner: "Your request will be honored."

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Black: "Thank you. The Federal Reserve Bank in a study and I agree with ya, loans should be made to be paid back. But Lou, you and I know all the time there are people out there that go, I mean, rent-to-own places that... that's always fascinated me. Ya know, for a hundred dollars (\$100) a month for 48 months you can own a television set that you could have owned for three hundred and fifty dollars (\$350) cash. But the Federal Reserve Bank says even when you are in a... a good mortgage that you can pay, delinquency and foreclosures are most often caused by losing your job, by a health crisis. It goes on and on and on into under... other percentages. I... Well, we all know that, but let me just ask you one question. Does this Bill in any way, shape, or form say that if I want to go out shopping for an interest-only loan that the only place that I would no longer be able to go to a mortgage broker and get an interest only loan, I could only go to a federally- or state-chartered bank?"

Lang: "No, it does not say that, Sir."

Black: "Okay. So, I could still go to a mortgage broker and get an interest-only loan, I'm not sure I would want to do that, but there are people who do. But if they do, then there are some counseling involved and they under... they will be hopefully led to an understanding that this interest-only loan at some point will require a rather large payment."

Lang: "The counseling is only triggered... you don't even get to the triggers unless you're a first-time homebuyer or you're refinancing."

Black: "What... Okay."

Lang: "So, but in your case..."

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Black: "Okay."

Lang: "...it would not apply."

Black: "Now, what about the state programs that we have to help finance a first-time homebuyer? If they're using some of our state LINC deposit or Treasurer programs that we've had for some years to help a first-time homebuyer, does this count or if they're in that state program they don't have to go through this?"

Lang: "It is my understanding, Mr. Black, that all of those programs are with banks and other financial institutions not with brokers."

Black: "Okay. Thank you very much."

Speaker Turner: "Seeing no further questions, Representative Lang to close."

Lang: "Thank you. We've had an interesting conversation and I wouldn't consider it a debate. I think the questions have been good and I appreciate them, but I hope you will all really give some thought to what this Bill is about. This Bill is about protecting consumers of mortgages who buy them or who get them from sources who are sometimes not treating them as good and loyal customers. We have a small sliver of mortgage brokers who have abused the system who have flipped people in and out of loans who have determined that their pocketbook is more important than the protection of their customer, who have determined that it's all right to give someone a loan and fudge the numbers so that they can get someone a loan who can't afford to pay it back. This is obviously true because if it were not true then why would there be a dozen or more zip codes in the City of Chicago

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that have much higher foreclosure rates than the others. Clearly there are predators in the system, clearly there are people taking advantage. This Bill does nothing more than to protect the customers at no expense to the broker. If you're, Ladies and Gentlemen, a mortgage broker yourself, would you in good conscience give someone a mortgage that was inappropriate for them? Would you in good conscience give someone a mortgage they could not afford to pay back? would you in good conscience give someone a mortgage knowing that all you really wanted to do was call 'em a year later and sell 'em another one to put more money in your pocket? You would not do that and while some of us like to protect business folks around here and that's a good thing to do, none of us think these are appropriate business practices. But yet these business practices have led to foreclosures, these business practices have led to decaying communities, these business practices have led to an unfair treatment of consumers. The Bill says that the broker has to act as the agent for the customer. That's a simple notion. It says that you have to treat the customer as if you care about them, as if the result of the loan you give them is a positive one, not one that's for you but for them. The Bill says you have to determine they can pay back the loan before you help them get it. What's so difficult about that, a completely reasonable thing to do. And so, Ladies and Gentlemen, this is a fair Bill; it is not a huge burden on brokers evidenced by the fact that the Association of Mortgage Brokers, who was opposed to the Bill we passed last year, who was opposed to the Bill we passed earlier this

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spring, is not only neutral on this Bill but signed in in committee for the Bill. They are for the Bill. So, they feel the protections for brokers are adequate and now we need to add some protections for the little guy out there. This is a very important piece of legislation. Please vote 'aye'."

Speaker Turner: "So, the question is, 'Shall Senate Bill 1167 pass?' All those in favor should vote 'aye'; all those opposed vote 'no'. The voting is now open. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there's 70 voting 'aye', 43 voting 'no', 1 voting 'present'. And this Bill, having received the Constitutional Majority, is hereby declared passed. Page 13, under the Order of Concurrences, Representative Collins, we have House Bill 1517. The Lady from Cook, Representative Collins."

Collins: "Thank you, Mr. Speaker. We're going to ask for concurrence on House Bill 1517 which raises the age of juveniles from 17 to 18 for misdemeanor only charges and a misdemeanor is a nonviolent offense. We'll ask for your 'aye' vote."

Speaker Turner: "The Lady from DuPage, Representative Bellock, for what reason do you rise?"

Bellock: "Thank you very much, Mr. Speaker. To the Bill."

Speaker Turner: "To the Bill."

Bellock: "I just wanted to mention a few things because we had a lot of discussion on this Bill the last time and I wanted to reiterate that this Bill just deals with changing the age from 17 to 18 for misdemeanor offenders only. We talked a

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lot about misdemeanor offenses and some of the other people had mentioned other crimes which were felony offenses and I just wanted to strongly point out that in this Bill alone we are talking about 17-year-olds, moving the age to 18-year-olds for misdemeanors only. And I ask for your support of the Bill. Thank you."

Speaker Turner: "The Gentleman from DuPage, Representative Reboletti, for what reason do you rise?"

Reboletti: "Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Reboletti: "Representative, is there anything else different in this concurrence than from the last time?"

Collins: "Just all the correct information."

Reboletti: "Do you feel that there would be a... an equal protection violation that if 17-year-olds had a... a felony case and a 17-year-old with a misdemeanor case would be treated separately and differently?"

Collins: "This Bill doesn't address that. This Bill only addresses misdemeanor cases, nonviolent offenses, all misdemeanor cases."

Reboletti: "Representative, I guess the point I'm trying to make is if a 17-year-old is charged with a Class IV drug case but... or a 17-year-old is also charged with a misdemeanor possession case of marijuana, they will be treated differently. One would go to juvenile ca... court, the other will go to an adult court. And that, in my belief, would be a violation of equal protection because a 17-year-old would be treated differently from almost the same type of offense. Would you not agree with that?"

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Collins: "Well, even... even now, Representative Reboletti, if that... if that happened right now today and the kid was 15 or 16 and they were charged with an adult offense that was a felony, that kid would still have a right to be prosecuted as an adult or as a juvenile and so the same thing would happen. All the other things that are in place today would stay in place and that would happen. The law would still protect them to say, if this case warranted, this child going back to juvenile court, staying in juvenile court he would or if they wanted him to go to adult court he would."

Reboletti: "What would happen to a defendant that the day before this Bill will go into effect was charged with a misdemeanor and an adult and then the next day if the... if they're the same individual picked up a case, will go to juvenile. Is that going to change this to retroactive? What's going to happen to all the 17-year-olds that were charged as adults?"

Collins: "Well, first of all, it's not going to ha... this Bill goes into effect six months later. This... it wasn't... won't even go into effect until next year at this time. So, we won't even be dealin' with those 17-year-olds and it's not retroactive. And... and this is only misdemeanor cases; it has nothing to do with felonies. Today, if a kid was 14-, 15-, 16-years-old and they did something that would warrant them going to adult court, they will still be charged as an adult. This has nothing to do with that. These are nonviolent offenses and these kids normally would get probation anyway."

Reboletti: "Rep... Mr. Speaker, to the Bill. I won't go through the whole soliloquy that I went through last time, but what

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I found interesting is that numerous counties came forward after this Bill had passed the Senate because they realized the cost impact to them. Cook County alone would be impacted by a million dollars (\$1,000,000) in unfunded mandates. I'm assuming DuPage County would be about half of that and you could figure out your own county size and how it would impact that. This is not good legislation from the standpoint of accounting. We had to move around probation officers, move around judges and basically, change the way we do criminal justice here. I believe there are constitutional arguments that could be made. We're going to have thousands of cases that are going to be now appealed and sittin' in our Appellate Courts or our Supreme Court already clogging up our already jammed up system. And I do disagree with the Representative, there are valid offenses that are misdemeanors and I have... For this reason, I will also ask that you vote 'no'."

Speaker Turner: "The Gentleman from Vermilion, Representative Black, for what reason do you rise?"

Black: "Thank you very much, Mr. Speaker. To the Bill. Since we last saw this Bill, I made it a point to talk to the sheriff of my home county, visited the juvenile detention center and talked to the staff and the director there and also talked to the... some of the probation officials in the Vermilion County probation and court services group. They all oppose this Bill for many of the reasons that Representative Reboletti said. If you have a county that has a juvenile detention center, you have no room now. And you will suddenly be asked to put another 30, 50, 100, 150,

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whatever depending on... on your jurisdiction and how your courts react. Plus the fact that you could have an 18-year-old misdemeanor charged with a Class A misdemeanor in a juvenile detention center with a 13-year-old who perhaps was charged with defacing public property which is also a misdemeanor. The law enforcement people in my county say they don't believe it's good policy to be putting a 17 or one who's just turned 18 in a juvenile detention facility that might also house a 13-year-old in for a misdemeanor of a much... a totally different classification and system. And there's also a... a recent... and I... I forget, forgive me, I'm not conversant on the case, but I was told by my sheriff that a recent Appellate Court decision in the Second Appellate District would indicate that if this misdemeanor started out as a juvenile and suddenly became 18 and the case was continued for whatever the reason and even turned 19, that according to this recent court decision that may very well be overturned that 19-year-old would be housed in the juvenile detention center if the original charge was a misdemeanor. Probation and court services people do not think that should ever take place; they have a number of problems with this Bill. And the bottom line is if you pass this this year, it will be next year and I can assure you, if not, the year after that that the same Bill will come back dealing with felonies. You know, that what's the original Bill was. They've decided to settle for misdemeanants, but this will be back in a year or two and have felonies. I would urge, if you haven't and it's too late now, but you can talk to your own law enforcement

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officials, your own probation and court services officials, even some of your judges. I think that's why you see the opponents: Cook County, board president, the probation and court services, the Metro Counties Association, the Illinois Sheriffs' Association, the Illinois Coalition Against Sexual Assault, the Illinois Association of Chiefs of Police and the Illinois State Police. It's not that they are mean-spirited people, it's not that they have anything against an 18-year-old misdemeanor. It's that they understand and deal with this on a daily basis. And the counties, particularly, understand the cost that they will incur by having to incarcerate 17 and those who've just turned 18 in a juvenile detention facility for which they... they were not built for that purpose, they don't have the room for that purpose and we are not paying our portion of those costs. So, whether we like it or not, it is a cost that we transferred to the county. I stand in opposition to the Bill."

Speaker Turner: "The Gentleman from DeKalb, Representative Pritchard, for what reason do you rise?"

Pritchard: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Indicates she will."

Pritchard: "Representative, you just heard some comments made by the Representative, I've also heard these comments from providers in my district. Do you have a response to their concern for lack of space and lack of funding in this Bill?"

Collins: "Yes, I do. First of all, these are misdemeanor cases; they're not going to jail. They're not going to be in the

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detention center, the kids go home and it's not going to cost any money."

Pritchard: "Do you have any idea how many young people this is going to impact?"

Collins: "I don't... I don't have an answer right now as to that, but I'll get back with you on how many kids it might affect."

Pritchard: "And can you be sure of the statement you made just previously that this will only impact young people that will probably paroled or in somehow not kept incarcerated?"

Collins: "Yes."

Pritchard: "And is that because of the language in the Bill or..."

Collins: "It's because of the language in the Bill and it's because that most misdemeanor cases get probation and they go home. They don't stay in the juvenile detention center."

Pritchard: "If that's the case, why..."

Collins: "Even today."

Pritchard: "...are all these groups still in opposition to this Bill?"

Collins: "I don't know. This is to me it's just about doing the right thing to do. It raises the age... Connecticut just raised their age from 16 to 18. What happens is, we have juveniles who are 17 years old that are still in high school. Those kids get a petty offense... say, they stole something for the very first time, never been in trouble... had they been 17... if they were 16, then they'd go on to the juvenile court, at 17 we just had a couple cases... I brought a girl down who was a perfect A student in high school, she was 17... actually had just turned 17 a month before... she was

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affected by this. She went into a... she wanted a blouse; she stole it. Went into Macy's, stole the blouse, got caught and now, she'll have a felony conviction. Why... but had she been a day earlier or a day before, she would have been tried as an adult. She's still in high school. Her scholarship was at risk. A lot of good kids get caught up in this legislation and a lot of times we're so concerned about catching the bad kids, or those kids are going to get caught if they're going to continue to be in trouble, but this is for the kids who are good kids who make a mistake. All the psychologists show that studies that kids cannot make long-term decisions at the age of 17; we're giving them that next age. As a matter of fact, you can't do... you can't vote at 17, you can't buy liquor at 17. We'll even moved the age of buying cigarettes to what, 19 years old. You can't go to Army; you can't get married; can't enter a contract. All those things we say that kids can't do, but at 17 we're saying they know right from wrong. Of course, they know it's right or wrong, but they don't know the long-term consequences and that's why we're protecting them. But we can protect them on every other end, but when it comes to something so simple we can't protect them. Most of these kids are drug offenses or petty thefts or anything that they didn't get in trouble before and the law also protects that. If they were a real criminal, that those laws that they still can bump them up to adult court and be charged as a felon."

Pritchard: "If I could ask some more questions, please. I appreciate the passion with which you're explaining. You

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also mentioned that they're not going to go to prison, that they're going to perhaps be on parole where they can be monitored and educated and helped taught right from wrong. Isn't that going to cost extra time and staff and personnel?"

Collins: "Yes."

Pritchard: "So, how are we paying for that?"

Collins: "Because we're going to pay for it on the front end..."

Pritchard: "It sounds like another unfunded mandate."

Collins: "...because we pay right now if you send a kid to jail it costs a minimum seventy-seven thousand dollars (\$77,000) a year for one kid in jail."

Pritchard: "Which is handled by the local jurisdiction; it's not handled by the State of Illinois."

Collins: "But if their... if they come to the Department of the Juvenile Justice is handled by the state. If they were sent to the Department of Juvenile Justice, we pay seventy-seven thousand dollars (\$77,000) and now, where we have Redeploy Illinois which is coming to Cook, if we put the money on the front end then it's less money than if we put the money on the back end. And then we can redirect some of that money that we spent to the Department of Juvenile Justice or the Department of Corrections where we spend millions of dollars every year, all of the money goes there. But if you put it on the front end, then you save money."

Pritchard: "Thank you. Mr. Speaker, to the Bill. I agree with the Sponsor that we need to try to divert some of these young people from a life of crime and hardening their abilities, but I also think that we need to put some state

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money behind that training and behind efforts to educate them and show them some skills that they can use in life other than criminal skills. I don't think that this Bill is addressing that underlying, major need and I would look for us to try to address that in future legislation. Thank you."

Speaker Turner: "The Gentleman from Cook, Representative Lang, for what reason do you rise?"

Lang: "Well, thank you, Mr. Speaker, Ladies and Gentlemen. I hope you'll listen to me carefully. We're here on a concurrence Motion on a Senate Amendment. Some of you folks want to debate this Bill from scratch and I suppose if you want to you can do that, but we're here on concurrence on Senate Amendment #1. All Senate Amendment #1 did was change the effective date to July '08 instead of an immediate effective date. So those of you who are now speaking against this, you're really speaking against the concurrence Motion and if you were to prevail, this would go back to the Senate. All they would do is strip that effective date change off and it would go to the Governor with an immediate effective date. So, we can stand here all day and debate and we have nothing else to do I suppose, but we could stand here all day and debate the guts of the Bill whether you thought the original Bill which already passed this House is an appropriate Bill, but the fact is that you won't accomplish that. What you're going to accomplish is forcing these people to make these changes immediately instead of giving them time to do it properly in July of '08. So, if that's what you want to do, go ahead and do it, but this is

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a Bill that already passed this House. This Amendment is only about the effective date. So, it'd be nice if someone had something to say about the effective date. Watch this. Mr. Speaker, I support the Senate Amendment because I think the effective date oughta be changed. And I think Representative Collins also thinks the effective date oughta be changed. Anybody think the effective date oughta be changed? I guess just me. All right. So, that's all this concurrence Motion is about. So, all the rest of this, Mr. Speaker, is irrelevant. I support the Lady's Motion."

Speaker Turner: "Thank you, Representative Lang for your explanation. We now have had two people speak in favor of the Bill, two against the Bill and we will entertain one from each side and then we will move to close. Representative Molaro, the Gentleman from Cook, for what reason do you rise?"

Molaro: "Thank you. Mr. Speaker, to the Bill."

Speaker Turner: "To the Bill."

Molaro: "First of all, Representative Lang is obviously correct. We're just talking about the effective date. But I just want to point out we talked about... some of the people talked... were you... some people talked about who was against it and let's... probation, Cook County, board president, Sheriffs' Association. When you talk to these people, the first thing they will tell you is they agree with the idea. Remember, there's a lot of states that have that age for all juveniles. So, they agree with the idea. If there is any opposition to the Bill, it's not because of the concept of the public policy, that these 17-year-olds that have a

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misdemeanor should be treated as adul... as juveniles, that makes a world of sense. They're a little bit worried about that if they gotta put 'em in a different place or if they gotta take 'em to a different court, how much it will cost them. I talked to the Cook County board people and they're not against the concept; they love the idea. They're just worried about that it might cost a few more dollars. They're... Everybody will find the money and we are talking very, very minimal dollars and we're putting children at risk that shouldn't be put at risk. This Bill passed. It's a great Bill. It's a terrific Bill to vote for; there really is no opposition, none whatsoever except for dollar amounts which are minimal dollars compared to what we're doin' in this state. We don't have the problem with the misdemeanor, felonies and one goes to this court, one goes to the other. We're in the process of fixing all of that. This is a great start and a great Bill. You're going to feel good voting 'yes' on this Bill. We're just concurring to the change in the effective date. Let's... let's vote for this Bill and move on to... to other things that we have to do. Again, a great Bill and the Sponsor again was a great... another great job. Thank you."

Speaker Turner: "The Gentleman from Champaign, Representative Rose, for what reason do you rise?"

Rose: "I don't even have a... Frustration."

Speaker Turner: "Okay, okay."

Rose: "To state that's there no opposition to this is ridiculous. I'm opposed. There are plenty of people here before that were opposed to this Bill. To say there's no

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opposition, there's plenty of opposition. For starters, unlike what the Lady said, this applies to all misdemeanors, violent misdemeanors as well as nonviolent misdemeanors. That oughta be a reason to oppose on its face to begin with. Secondly, my good seatmate here, Mr. Reboletti, tells me there's at least, what'd you say, Kane, Kendall... Kane, Kendall, Will did all went on record in opposition to this. To say there's no opposition, there's plenty of opposition because it's an idiotic idea."

Speaker Turner: "Representative Collins to close."

Collins: "Thank you, Mr. Speaker. What this Bill does is it amends the Juvenile Court Act of 1987, it raises the age from 17 to 18 for misdemeanor offenses only. That's what it does. And this Bill also develops a task force to... to plan to see if we should raise the age for felonies. There is no requirement that these plans will ever implemented. Any change will require further legislation. Violence offenses are not covered in this Bill. Nothing in the Bill changes current law regarding transfers to adult court. There is no physical (sic-fiscal) impact to the state by this Bill and a minimal impact to local jurisdictions is very minimum. Connecticut and 30 oth... 38 other states and now Connecticut has just changed their age in July 12, 2007 from age 16 to 18. Though this Bill has already passed the House, as the Representative said, and the Senate and now we're just concurring. And to answer the other Representative's question, this will affect about two to three thousand (2,000 to 3,000) kids in the state alone that would save them from having felony convictions in this state. Right

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now, we spend tons of money on kids for felonies because they can't get a job, they can't go to school, they can't get anything and they're going to live another 70 years. So, let's try and correct the problem as juvenile... as to for our juveniles today so that they won't have to be adult criminals for the rest of their lives. So, I'm asking for you to concur with the Motion of Senate Amendment #1 and vote 'aye'. Thank you."

Speaker Turner: "The question is, 'Shall the House concur in Senate Amendment #1 to House Bill 1517?' All those in favor should vote 'aye'; all those opposed vote 'no'. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Hernandez. Eddy. The Clerk shall take the roll. On this question, there are 56 voting 'aye', 57 voting 'no', 0 'presents'. And the Motion fails. On the Order of Concurrences, we have House Bill 1519. Representative Dugan."

Dugan: "Thank you, Speaker, Members of the House. House Bill 1519, I would like concurrence of Senate Amendment #1, #2, and #3. This was for a TIF district in my... in my district that passed the House, it went to the Senate. And there's a few more communities that also needed the extension of their TIF districts and so, that's all this is. All the paperwork has been brought in and so, I'd ask for concurrence."

Speaker Turner: "No questions. The question is, 'Shall the House concur in Senate Amendments 1, 2, and 3 to House Bill 1519?' All those in favor should vote 'aye'; all those opposed vote 'no'. The voting is now open. Have all voted who wish? Have all voted who wish? The Clerk shall take

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the record. On this question, there are 109 voting 'aye', 3 voting 'no', 2 voting 'present'. And this Bill, having received the Constitutional Majority, is hereby declared passed. The House does concur in Senate Amendments 1, 2, and 3 to House Bill 1519. On page 9 of the Calendar, under the Order of Senate Bills-Second Reading, we have Senate Bill 509. Representative Franks. Read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 509, a Bill for an Act concerning regulation has been read a second time, previously. No... No Committee Amendments. Floor Amendment #6, offered by Representative Franks, has been appro... approved for consideration as well as Floor Amendment 7 and 8."

Speaker Turner: "Representative Franks."

Franks: "Mr. Speaker, I move for the passage of Amendments 6, 7, and 8. So, we can... we can discuss it now or we can discuss it on Third Reading, whatever you'd like."

Speaker Turner: "Representative Franks moves for the adoption of Amendment #6. All those in favor say 'aye'; all those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #6 is adopted. Further Amendments?"

Clerk Mahoney: "Floor Amendment #7, offered by Representative John Bradley."

Speaker Turner: "Representative Bradley moves for the adoption of Amendment #7 to House Bill (sic-Senate Bill) 509. All those in favor say 'aye'; all those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #7 is adopted. Further Amendments?"

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Clerk Mahoney: "Floor Amendment #8 by Representative John Bradley."

Speaker Turner: "Representative Bradley moves for the adoption of Senate Amendment #... Floor Amendment #8 to Senate Bill 509. All those in favor say 'aye'; all those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #8 is adopted. Further Amendments?"

Clerk Mahoney: "No further Amendments. No Motions filed."

Speaker Turner: "Third Reading. ...Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 509, a Bill for an Act concerning regulation. Third Reading of this Senate Bill."

Speaker Turner: "The Gentleman from McHenry, Representative Franks."

Franks: "Thank you, Mr. Speaker. This is a Bill that's taken a long time coming together. I had first filed a similar Bill in the 93rd General Assembly so we could try to root out counterfeiting prescription drugs and it would require pedigree papers. This is now been an agreed Bill. There's a lot of work that's been gone... gone into it. Representative Coulson has taken a lead on this as has Representative Bradley. Senators Link and Dillard carried this in the Senate. And what it basically does is it's a rewrite of the Wholesale Drug Distributors Licensing Act. The last time we did this was 20 years ago. Many folks were involved... and it is an entirely agreed Bill now. I'd be glad to answer any questions."

Speaker Turner: "Seeing no questions, the question is, 'Shall the House pass Senate Bill 509?' All those in favor should vote 'aye'; all those opposed vote 'no'. The voting is now

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open. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 114 voting 'aye', 0 'noes', 0 'presents'. And this Bill, having received the Constitutional Majority, is hereby declared passed. On page 15 of the Calendar, we have House Joint Resolution 13. Representative Tryon."

Tryon: "Thank you, Mr. Speaker. House Joint Resolution 13 sets up a task force..."

Speaker Turner: "Mr. Tryon. Mr. Tryon."

Tryon: "...on House..."

Speaker Turner: "I think there are Amendments on this Resolution."

Tryon: "Yes."

Speaker Turner: "Mr. Clerk, read..."

Clerk Mahoney: "Floor Amendments 1 and 2, offered by Representative Tryon, have been approved for consideration."

Speaker Turner: "Representative Tryon on Amendment #1."

Tryon: "I would like to table Amendment #1 and move Amendment #2. I withdraw Amendment #1 and move..."

Speaker Turner: "The Gentleman asks leave..."

Tryon: "...Amendment #2."

Speaker Turner: "...to withdraw #1. All those in favor say 'aye'; all those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #1 is withdrawn. Amendments?"

Clerk Mahoney: "Floor Amendment #2, offered by Representative Tryon, has been approved."

Speaker Turner: "Representative Tryon on Amendment #2."

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Tryon: "Amendment #2 to House Joint Resolution 13 establishes a compliance task force made up of House Members and Senate Members to oversee the application and implementation of an NPDES permit program for on-site wastewater discharges. This will allow at least some legislative oversight of this application. We have no opposition that I'm aware of. The opposition formerly has... is now in support of this. And it is drafted in such a manner as to look at ways to continue the offer... the ability to have these types of systems and to monitor the application and the drafting of regulations that will affect the people that own these systems."

Speaker Turner: "The Gentleman from Crawford, Representative Eddy, for what reason do you rise?"

Eddy: "Thank you very much, Mr. Speaker. Will the Sponsor of the Resolution yield for a couple of questions?"

Speaker Turner: "Indicates he will."

Eddy: "Representative, you and I have discussed this issue on many occasions and I value your experience and background in this area. I want to make sure that... that the Body understands your intention here and I think if I just simply ask you if the intention of this task force is to make sure that when Illinois submits its final rules for compliance with the NPDES national or the federal rules that they be done in such a way as to minimize the impact on Illinois homeowners in rural areas and other parts of the state who currently discharge using these private sewage disposal systems."

Tryon: "That is correct and that wording is actually in the Resolution."

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Eddy: "Okay. So... so, really the purpose here is to take into account... I don't want to use the word 'grandfather', but certainly understand that people have been using these systems for a long time and whatever the minimal requirements are in... in applying the new rules that that task force not only has the charge to meet but to also concentrate on the minimal requirements?"

Tryon: "That's correct."

Eddy: "Okay. Thank you very much. To the Resolution. Mr. Speaker, I appreciate the Sponsor's work on this. As I stated earlier, I certainly appreciate his expertise. We've forwarded Bills; we've had all kinds of discussion and this seems to be the best agreed way to move forward on an issue that's very, very important to rural homeowners and I want to urge the Body, especially those who are affected in those rural areas by this issue, to support the Gentleman's Resolution and to keep an eye on the task force. Thank you."

Speaker Turner: "Seeing no further questions, the question is, 'Shall the House pass House Joint Resolution 13?' All those in favor should vote 'aye'; all those... The question is, 'Shall... The question is, 'Shall Amendment #2 be adopted to House Joint Resolution 13?' All those in favor say 'aye'; all those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #2 is adopted. Representative Tryon."

Tryon: "Yeah. I think we've covered all the points in the debate. This is an issue that we've had several Bills in front of our chamber on and in... into the Sen... in the Senate

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chamber. Those Bills have not passed and they're not going to the Governor's desk. This is, I think, the best way for our state to handle this problem. We know we have to apply for a permit. We should have legislative... some legislative input and oversight as we progress through the application to the USEPA and as we draft regulations. I think it's our responsibility as Legislators to make sure that we have a minimal impact on our residents in... that already have installed these types of systems. And I would urge an 'aye' vote."

Speaker Turner: "The question is, 'Shall the House pass House Joint Resolution 13?' All those in favor should vote 'aye'; all those opposed vote 'no'. The voting is now open. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 114 voting 'aye', 0 'noes', 0 'presents'. And this Bill, having received the Cons... Constitutional Majority, is hereby declared passed. Page 11 of the Calendar, we have Senate Bill 1592. Read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 1592 has been read a second time, previously. Amendment #1 lost in committee. A Motion to Table Committee Amendment #2 has been approved for consideration."

Speaker Turner: "The Gentleman from McLean, Representative Brady, for what reason do you rise?"

Brady: "Thank you very much, Mr. Speaker. We'd like to call a Republican Caucus to occur immediately in Room 118. A Republican Caucus in Room 118. Thank you very much, Mr. Speaker."

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Speaker Turner: "And approximately how much time do you think you'll need, Representative Brady?"

Brady: "I can get back to ya on that. I... I don't think it will be too terribly long. We should be done with the caucus before the Special Session is over. Thank you."

Speaker Turner: "Representative Brady, we're going to give you an hour. Hopefully, the Special Session will end at that time also. But Republicans will go to Room 1... 118 immediately; Democrats will go to lunch. House stands in recess until the hour of 1:00."

Speaker Hannig: "The House will be in order and Members please be in their seats. Representative Fortner, for what reason do you rise?"

Fortner: "Thank you, Mr. Speaker, Members of the House. I'd like to draw your attention behind me to my right for... we have a number of Eagle Scouts from Troop 34, Wheaton, Illinois, from my district as well as some members from Representative Meyer's district and Representative Coladipietro's district. What I wanted to make mention, Troop 34 was actually chartered in 1921. It's the oldest active charter in the State of Illinois. And they've done a number of great service projects to get their Eagle awards benefiting such places as the Morton Arboretum, DuPage Historical Museum, Downers Grove Park District, the Johnson Wetland Restoration Project, Cantigny Park, the People's Resource Center in Wheaton, the Grand Theater, and the Infant Welfare Society of Chicago. That's just to name a few of the wonderful projects this troop has worked on. What's really unprecedented is that there were ten Eagle

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Scouts from this troop here in the last year and I'd like to introduce. We have David Thomas Szeszycki, Robert Jerome Olp, Nathaniel Thomas Kinkley, Patrick Franklin Pfeifer, Matthew Ryan Walderson, Robert Alexander Schumacher, Theodore Daly Szczepaniak, I hope I got that right, Luke Augustus Szczepaniak, and two who weren't able to join us today: Kevin Joseph Johnson and Adam James Gassensmith. So, I'd like to give all of them a wonderful round of applause for their great achievements."

Speaker Hannig: "We're going to go to page 11 of the Calendar, under Senate Bills-Second Reading. Mr. Clerk, read the Bill, 1592."

Clerk Mahoney: "Senate Bill 1592, a Bill for an Act concerning regulation, has been read a second time, previously. Amendment 1 lost in committee. Amendment #2 was approved, but a Motion to Table Committee Amendment #2 has been approved for consideration."

Speaker Hannig: "So, Amendment... there's a Motion to Table Amendment #2. Is there leave to use the Attendance Roll Call? Leave is granted. The Attendance Roll Call will be used and Amendment #2 is tabled. Any further Amendments, Mr. Clerk?"

Clerk Mahoney: "Floor Amendment #3, offered by Representative Scully, has been approved for consideration."

Speaker Hannig: "Representative Scully asked that that Amendment be withdrawn. Any further Amendments?"

Clerk Mahoney: "Floor Amendment #4, offered by Representative Scully, has been approved for consideration."

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Speaker Hannig: "Representative Scully also asked that that Amendment be withdrawn. Any further Amendments?"

Clerk Mahoney: "Floor Amendment #5, offered by Representative Scully, has been approved for consideration."

Speaker Hannig: "The Gentleman from Cook, Representative Scully on the Amendment."

Scully: "Thank you, Mr. Speaker. Ladies and Gentlemen, I'd like to present to the House Amendment #5 to Senate Bill 1592 which is best described as the comprehensive rate relief legislation for this issue that's been looming before the State of Illinois for the past two and a half years. This is a very comprehensive piece of legislation. The passage of this Bill into law will be a great day for the pa... people of the State of Illinois. It is a comprehensive settlement with the electric utility companies and their generating parents and other generating companies following negotiations with the General Assembly and the Attorney General's Office. House Amendment #5 provides for a rate relief package of over one billion dollars (\$1,000,000,000) for residential and small commercial customers of electricity. A new state agency, the Illinois Power Agency Authority, will oversee a new process for purchasing electricity in Illinois, replacing the old reverse clock uniform price auction. This new state agency will also have the ability to facilitate construction of power plants in the State of Illinois if it is decided that that is in the best interests of the state. Let me begin by talking about the package of customer relief. It will impact residential and small business customers. The one billion dollars

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(\$1,000,000,000) goes to rate relief for customers. One-half of this fund will go to the customers of Ameren, one-half of the fund will go to the customers of Commonwealth Edison. The one billion dollar (\$1,000,000,000) pool is created through funding. Eight hundred million dollars (\$800,000,000) is being provided by Exelon and Commonwealth Edison. Ameren companies are providing another one hundred and fifty million dollars (\$150,000,000). Dynegy and Midwest Generation are each providing fifty million dollars (\$50,000,000). MidAmerican Generating Company is providing a million dollars (\$1,000,000). In addition to this direct rate relief, Ameren has agreed to waive all late charges. The estimated value of that component is ten million dollars (\$10,000,000). That is the composition of the one... one billion, ten million dollar (\$1,010,000,000) pool of funds. The rate relief packages for the two large utility companies are very similar. I will talk, first of all, about the primary difference. Excuse me. Let me talk about the best way to simply describe the rate relief. The most accurate way to accurately describe, make a generalized statement of this rate relief, is that whatever the customer's increase was on January 1 of this year, approximately 45 percent of that increase will be stopped and reimbursed to the customer. So, for a customer who had an increase in their bill of approximately a hundred dollars (\$100), that customer's going to get forty-five dollars (\$45) per month of rate relief. The relief is going to be directly proportional to the manner in which the customer was hit by a higher incre... higher energy prices. Those customers who

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had the most severe impact will be receiving more dollars of relief. Those customers who did not experience a high increase are going to be receiving less dollars of relief. The relief is going to be directly proportional to the impact that those... that customer received with the increases of January of 2007. For the Ameren customers, all of the... excuse me, for both Ameren and Commonwealth Edison customers, the rate relief is retroactive to January 1 of 2007. We anticipate that the relief will be the lower price... that the credits will be implemented on the September 1 billings. For the preceding months, for the months of January through July, possibly August, the customers will be receiving a credit for those months. For the Ameren customers, that credit is going to be delivered in the form of a check. We anticipate, because the Ameren customers were hit much more harshly than the Commonwealth Edison customers that the dollar amount of that relief is going to be much greater. Again, the relief is directly proportional to the increases that those customers received. If those customers of Ameren are more than 60 days delinquent on their bills, they will not receive a check; instead they will receive the credit towards their delinquent balance. For the Commonwealth Edison customers who experienced much less increases than the Ameren customers, again, they will be receiving relief in the form of approximately 45 percent of the increase that they experienced from January 1. Forty-five percent of that increase is going to be dropped and eliminated. Commonwealth Edison customers will not be receiving checks. Commonwealth Edison customers will be

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receiving credits on their bills. For the Commonwealth Edison customers, in discussing this with the utility companies, Commonwealth Edison estimated that the cost to do checks as opposed to credits on the billing... the estimated cost was two million dollars (\$2,000,000). The bulk of that cost was simply postage. They said that they can deliver two million dollars (\$2,000,000) more of relief if we are willing to accept the delivery device of a credit on the bill as opposed to a check. The credit is also a much safer way to deliver the relief. We can be certain that the person who paid the bills in the first place is the person who is receiving the relief. It's much easier to trace; we also don't have to worry about the security issues of sending out so many checks in the mail and the risk the checks will be lost or stolen. In addition to the actual dollars of relief, there are targeted programs... oh, excuse me. Let me back up to the allocation of the relief. For the Ameren customers, that allocation will be for the year 2007, two hundred and thirteen million dollars (\$213,000,000); for 2008, it will be one hundred and nine million dollars (\$109,000,000); for 2009, seventy-eight million dollars (\$78,000,000). The decision was made and the agreement was reached to allocate the majority of that relief to the front end which is where we had the problem, the huge cliff that our constituents, their customers, experienced on January 1 of 2007. In addition to those actual dollars of relief for the Ameren customers, there will be a variety of targeted programs. A cooling assistance program of approximately two million dollars

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(\$2,000,000) donated to the Low en... Income Home Energy Assistance Program, LIHEAP. A bill payment assistance program of approximately two million dollars (\$2,000,000), a residential special hardship program of two million dollars (\$2,000,000), nonresidential special hardship program of two million dollars (\$2,000,000), a percentage of income payment relief pilot program for the all-electric space heating customers of about two point five million dollars (\$2,500,000), a weatherization assistance program to make these all-electric space heating homes more energy efficient, bringing long-term relief. That program will receive approximately a million dollars (\$1,000,000). Energy efficient lightbulbs, the compact fluorescent lightbulbs, there'll be a million dollars (\$1,000,000) for that program and a million dollars (\$1,000,000) for a municipal light... municipal street lighting conversion programs. Again, the majority of these programs are specifically targeted for the people who are most in need and programs to make the user of electricity more efficient. I'd like to move on now to the Commonwealth Edison rate relief program. As I stated earlier, the best way to make a generalization about this relief is that it will be approximately five hundred million dollars (\$500,000,000) of relief distributed over 3 years, resulting in customers seeing an immediate 45 percent drop in the increase they experienced in January of 2007. The allocation of the general rate relief will be in 2007, two hundred and fifty million dollars (\$250,000,000); 2008, one hundred and twenty-five point five million dollars (\$125,500,000) and

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2009, thirty-six million dollars (\$36,000,000). There is no deferral of any of the increase that is being abated by the utility companies. Back in January, we were presented with a... a Bill that the utility companies presented to provide for a phase-in of the increases. What came clear in the committee is that all of the increase... for example, the Commonwealth Edison increase of 24 percent. All of the increase that was not paid by the customers during year one was deferred out to years four and five. All the increase that was not paid by the customer in year two was deferred out to years four and five. Anyone who described that phase-in program as a 3-year phase-in was making a false statement. It was not a phase... 3-year phase-in, it was a 5-year phase-in, with the utility companies collecting every nickel of their increase. This program provides for no deferral. The rate relief is not being provided by the utility companies. The money for this rate relief is being delivered by the generating companies. If during this phase-in period, this rate relief period, if some of these residential customers migrate to another electric supply company, their rate relief will follow the customer. The customers of Commonwealth Edison do not have to stay with Commonwealth Edison to enjoy this relief. They will receive these benefits whether they stay with Commonwealth Edison or not. That is another major difference from the bills that we were presented with back in January. The Commonwealth Edison customers will enjoy similar targeted relief programs in different dollar amounts: an the electric space heating customer relief program of approximately eight million

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dollars (\$8,000,000); summer assistance programs of approximately ten million dollars (\$10,000,000) for working families and low-income customers, including low-income seniors; a residential rate relief program of five point five million dollars (\$5,500,000) for working families, including low-income seniors with higher than average rate increases; a residential special hardship program of approximately five million dollars (\$5,000,000); a nonresidential special hardship program of one point five million dollars (\$1,500,000). For the condominium common areas, those condominium customers who experienced severe shock when their building common areas were priced in a different manner, those customers will receive four point five million dollars (\$4,500,000) relief through this Bill as well as through some tariffs pending before the Illinois Commerce Commission at this time. There will also be five point five... three point nine million dollars (\$3,900,000) of weatherization assistance programs and five million dollars (\$5,000,000) of energy efficient environmental and education assistance programs. Again, most of this targeted program money is specifically aimed at people who are suffering the greatest hardship and for making the users more energy efficient. That concludes my presentation on the rate relief components of this Bill. I'd now like to move on to the issue of the creation of a new state agency called the Illinois Power Agency. The primary function of this agency will be to oversee a new procurement process that is set forward within this statute. This process, this new agency, will replace the reverse New Jersey-style auction which

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provided for a uniform price for all bidders at the sale. Instead, it will go to a pay-as-bid process whereby we, the users of energy, will be able to take advantage of the fact that many of these bidders are willing to continue bidding down below the price that was achieved at the reverse New Jersey-style auction. It dispenses with the concept of a uniform price for all bidders. All bidders will still have the option of deciding how low they want to bid, but a bidder who wishes to bid lower is not going to be able to take advantage of the higher prices artificially set by the reverse New Jersey-style auction. This will be a conventional state agency with a director appointed by the Governor with the advise and consent of the Senate. The Power Authority... the Power Agency will not be funded by GRF funds except for an initial GRF loan for years 2005 and 2009 which must be repaid by the Illinois Power Authority (sic-Agency) in subsequent years. The IPA will be funded with a twenty-five million dollar (\$25,000,000) fund from this settlement, the billion dollar (\$1,000,000,000) settlement. The... there are specific standards set forth in the statute... in the Bill for the qualifications for the director of this agency. We intend that this will assure that the agency head is a person who has not only the support of the Governor and the Senate but also certain essential qualifications for office. The procurement process will remain subject to the approval of the ICC. The ICC will retain final approval of this procurement price. But as opposed to the New Jersey-style auction where we... which was presented by the utility companies and then approved by the

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ICC, the new procurement process is set forth in statute to be supervised by a state agency with the advisin... with the final approval of the ICC. The new state agency will also have the power to review and plan the process of building generators within the State of Illinois. The Resource Development Bureau of the IPA will allow the IPA to build power plants that use clean-coal technology that burn Illinois coal and they used other renewable resources. The IPA will have the ability to issue bonds through the Illinois Finance Authority to finance the construction of public power, either by the IPA or with municipalities or municipality... municipal aggregates. The IPA will not have the independent authority to issue bonds. The bonds that would be issued through the Illinois Finance Authority will be revenue bonds. They must be supported by the independent judgment of the market that the transaction is viable. They will be not be backed by the full faith and credit authority of the State of Illinois and will not be a financial burden on the State of Illinois. We anticipate that this reform will encourage aggregation by one or more units of local government, both in the function of purchasing power or in terms of building power plants. This past Monday I had the opportunity to visit with the mayor of Quincy, Illinois, who's looking at the feasibility of building hydroelectric power plants on the Mississippi River. It's a very exciting opportunity. This fits in very well with the FutureGen project of... of... future power plants built in the State of Illinois burning Illinois coal with the cleanest burning technology and new capacities for the retention of the... the

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carbon sequestration. Those are the primary points of the Bill. It is a very comprehensive piece of legislation. I want to thank all the Members of the Electric Utility Oversight Committee for their very diligent work over the past two and a half years. I want to specifically thank Representative Krause for her attention and for her advice and counsel on these issues over the past two and a half years. It has been a very long, painful road to get to where we are today. I also want to thank all the Members of this General Assembly for the attention that they have each given to this problem that has drawn so much attention from the people of the State of Illinois. I also want to thank the people of the State of Illinois who didn't lay down, who didn't just take this one on the chin, who didn't allow these electric utility companies and their parents to get away with these huge profits and these huge increases in prices. Without the cooperation of all of those people, I would not be here today with the opportunity and the privilege to present this Bill to you today. One of the most important components of this Bill is that it is an agreement; it is a settlement that the utility companies have agreed to. The utility companies have voluntarily agreed... excuse me the generating companies have voluntarily agreed to fund this relief package. A critical component of this... this settlement was what the Attorney General's Office... which has been diligently pursuing several legal actions on this project. The Illinois Attorney General's Office, as part of the settlement, is agreeing to dismiss those lawsuits. Without those dismissals, the generating

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companies had no incentive whatsoever to provide the funding for this relief package. The diligent pursuit by the Attorney General's Office and the willingness of that office to drop those lawsuits made this settlement possible. Thank you very much for your attention and I look forward to answering your questions."

Speaker Hannig: "The Gentleman has moved for the adoption of the Amendment. And on that question, the Lady from Brown, Representative Tracy. Representative Tracy, did you wish to speak? Representative Black."

Black: "Mr. Speaker, in the interest of time, that was a 20-minute explanation of an Amendment. Couldn't we just adopt the Amendment and then debate the Bill?"

Speaker Hannig: "We got a couple people that'd like to speak on the issue, Representative, and far from me..."

Black: "Well, I think they could speak on..."

Speaker Hannig: "...would I want to cut 'em off."

Black: "I think they could speak on the Bill rather than just the Amendment, but I defer to the Chair as I always do because I understand the rule of 60, which means you have 60 votes and I don't."

Speaker Hannig: "Okay. So, Representative Black, the Members have taken your suggestions and turned off their lights and so we have no other... we have no other speakers wishing to address the Body. Representative Scully, would you like to close?"

Scully: "I appreciate your support on this Amendment."

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Speaker Hannig: "Okay. All in favor of the Amendment say 'aye'; opposed 'nay'. The 'ayes' have it and the Amendment is adopted. Clerk, let's be at ease for a moment."

Clerk Mahoney: "The Rules Committee will meet immediately in the Speaker's Conference Room. The Rules Committee will meet immediately in the Speaker's Conference Room."

Speaker Hannig: "Mr. Clerk, read the Committee Report."

Clerk Mahoney: "Representative Barbara Flynn Currie, Chairperson from the Committee on Rules, to which the following legislative measures and/or Joint Action Motion were referred, action taken on July 26, 2007, reported the same back with the following recommendation/s: 'approved for floor consideration' is Amendment #6 to Senate Bill 1592."

Speaker Hannig: "So, let us resume debate on Senate Bill 1592. And Mr. Clerk, what is the status of the Bill?"

Clerk Mahoney: "Senate Bill 1592 is on the Order of Second Reading. Floor Amendment #6, offered by Representative Miller, has been approved for consideration."

Speaker Hannig: "Representative Miller."

Miller: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. Amendment #6 is a provision directing the Illinois Power Authority to report the number of minority and female dis... and disabled businesses that apply for professional service contracts, the number that receive them and the number that are lost and the... and they're trying to work with those companies to increase diversity of participation. And the second significant change in it... or addition in this Amendment is a technical change that clarifies electric utilities that are required to implement energy efficiency

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measures are only those electrical utilities defined under Public Utilities Act."

Speaker Hannig: "The Gentleman has moved for the adoption of Floor Amendment #6. Is there any discussion? The Gentleman from Vermilion, Representative Black."

Black: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "He indicates he'll yield."

Black: "Representative, let me make sure I understand where the MBE comes into play. It... it doesn't come into play with the generators, correct?"

Miller: "That's correct."

Black: "It comes into play with the delivery companies or the contractors that they hire or both?"

Miller: "Professional services... service... professional service agency that may be hired by the Illinois Power Authority, such as bond council, financing. There's a list that's included in the Amendment, accounting and others."

Black: "Okay. Forgive me, I haven't seen the Amendment. What... what would it do to the delivery company like, let's just say, an Ameren IP? Does this then relate to their staffing practices for line repair, tree-trimming services, things of that nature?"

Miller: "No."

Black: "Okay. Thank you very much."

Speaker Hannig: "Any further discussion? Then all those in favor of the Amendment say 'aye'; opposed 'nay'. The 'ayes' have it and the Amendment is adopted. Any further Amendments?"

Clerk Mahoney: "No further Amendments. No Motions filed."

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Speaker Hannig: "Third Reading. Mr. Clerk, read the Bill."

Clerk Mahoney: "Senate Bill 1592, a Bill for an Act concerning regulation. Third Reading of this Senate Bill."

Speaker Hannig: "The Gentleman from Cook, Representative Scully."

Scully: "Thank you, Mr. Speaker. I appreciate the attention of the Members of the House. I think during my presentation of House Amendment #5 I gave a comprehensive description of the... the Bill as amended and I ask for your support for this very comprehensive piece of legislation to bring real rate relief to the people of the State of Illinois as well as a better process into the future for purchasing electricity. I'd be happy to answer your questions."

Speaker Hannig: "The Gentleman has moved for the passage of Senate Bill 1562 (sic-1592). And on that question, the Gentleman from Morgan, Representative Watson."

Watson: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Watson: "George, how... explain again on the Illinois Power Authority, they're appointed by whom?"

Scully: "The... as with other state agencies."

Watson: "So it's just..."

Scully: "The direct... the director is appointed by the Governor with the advise and consent of the Senate."

Watson: "And is... and their term is 5 years? I guess my question or my concern would be is... are we going to saddle some Governors with... with folks that we did not want... want to have on here? We did... that we made some changes for this

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Governor for the State Board of Education so that they would fit his term. Was there any consideration for that?"

Scully: "Mr. Watson, there was consideration at the outset that this would be an independent, separately-elected board."

Watson: "Right."

Scully: "And through the process of... of the negotiated process, we came to the agreement that the Illinois... it would not be a separate authority with an elected board. It would be a conventional state agency with its director appointed by the Governor and... appointed by the Governor and with the advise and consent of the Senate."

Watson: "George, I guess my concern is this. And I would say if... if there's... the shining light of this Bill, the most positive thing here, is changing the procurement. If you take any business case study and look at problems, they go through organizational flow and design. And the problem we have now is the procurement policy was a disaster. We all know that in hindsight. My concern is are we sure that this board is going to be equipped and able to handle that? Because we can give you example after example, current examples, where perhaps the ICC did not do what we would've hoped they would've done. And I think we had plenty of testimony here to go on both sides. Do... do you follow what I'm asking?"

Scully: "Let me respond to that. First of all, this will not be a board. This will be an agency with an ag... a director of that agency. Second, a procurement process is set forth in this... in the statute. The... this agency will not have the authority to come up with a... to create an auction process of

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its own out of... off of clean paper, as was the case 4 years ago when the energy companies came forward with the reverse New Jersey-style auction. We do have to be concerned about who is running this state agency in the same manner that... possibly more so than the people who are running other state agencies. We could not... it is not possible for us to simply pass a piece of legislation and then say we've done our job, we no longer have to monitor what's happening. We do have to be vigilant. We have to be vigilant. We have to keep an eye on how this new agency evolves. This new agency will probably need our oversight and value our input. But we cannot simply pass this piece of legislation and wash our hands of the project. We do have to keep an eye on who is appointed by the Governor. We have to keep an eye on that approval pro... that consent process in the Senate. And as a state agency, we are going to have to keep a very close eye on how they conduct this new procurement process."

Watson: "Okay."

Scully: "But a primary benefit in this legislation is a procurement process set forth in statute, which is very similar to the procurement process that was recommended by Dr. Ronald Laffer who made presentations to the Electric Utility Oversight Committee approximately 18 months ago. Dr. Laffer was an economist with the Reagan administration. He is the author of the Laffer Curve."

Watson: "I've heard of him."

Scully: "He made a fabulous presentation to our committee. It was hotly contested. This no... new procurement process is

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very consistent with the recommendations of Dr. Laffer that day."

Watson: "Great. To... to the Bill. First of all, George, I would just say thank you for the work you've done and contributed. I know there's going to be lots of debate here. I would just say this, Ladies and Gentlemen of the House. This process is probably representative of some of the problems and challenges of why we're still here. You're going to hear good things about this Bill, you're going to hear bad things about this Bill. And at the end of the day people are going to say, 'Well, what?' It is time for us to put this thing to bed, to give our constituents some relief, and move on and get a budget done. We have been here..."

Speaker Hannig: "Representative, could you bring your remarks to a close?"

Watson: "I would just say that it's time for us to put this issue to rest. This is not the perfect Bill, but it's time for all of us to realize that compromise is of the essence when we get to this point. And I encourage an 'aye' vote."

Speaker Hannig: "Just for clarification, we're going to have unlimited debate but we will run the five minute clock just to give everybody a chance. So Representative Krause, you're recognized for five minutes."

Krause: "Thank... thank you, Mr. Speaker. And may I first say that having served as the Minority Spokesperson for the past two and a half years of the Electric Oversight, I do extend to the Chair and the Sponsor of this legislation a thanks for really the work we did. And I think coming out of there, there were a number of positive, substantive things

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we did, such as municipal aggregation and other things. And I extend to you the courtesies that were extended and the work of all... of all the committee Members. To the Bill. On this Bill, however, I strongly disagree with the Sponsor of this Bill and I believe that it totally misses the mark of what we had attempted to do and what we had wanted to do. If you go back to the committee and back over the number of months where the first time a rate freeze Bill appeared, it was in October, 2006, the number of times that we saw a rate freeze Bill out of this chamber and out of the Senate and the number of re... statements that were made to the citizens of this state, and that is in the Commonwealth Edison area and the Ameren area, that their rates would be frozen and rolled back for a total of 3 years. What that did create was a belief by our people that, indeed, that was going to happen, that they were going to get that relief. And in my area, the Commonwealth Edison area, the testimony made it very clear that that relief would've been one point four billion dollars (\$1,400,000,000) a year and four point two billion dollars (\$4,200,000,000) over the period of 3 years. That is what was promised, that was the recommendation made, and it never came to pass, except for the belief by the residents of this state that, in fact, that was going to occur. And even though they did not achieve the four point two billion (4,200,000,000), it would've seemed to me that if all those statements and all the goals that were set, that at least this legislation would've produced about 50 percent, at least, of that representation. Instead... instead, in the Commonwealth area, for every one dollar (\$1)

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of relief that would've been achieved under rate freeze, eleven cents (\$.11) is promised in this Bill. And when you look at the credits that are given, you see in the Commonwealth Edison area that, in fact, the credit per month this year is six dollars, ninety-two cents (\$6.92); next year, three dollars, forty-six cents (\$3.46); and in the third year, eighty-two cents (\$.82) a month. And for those in our condo areas, they would achieve three dollars and eighty-three cents (\$3.83) per month this year. That is the relief prided, woefully short, woefully below the representations that have been made and that were put out in this state that, in fact, that is what is going to be granted. But what occurred, as a result of that and the result of the charges that have been made throughout this, is a very strong cloud that remains over this entire situation here in the state. And in no way does this document, in any way, remove what has occurred with these allegations. This document does not provide for any type of consumer protection, that was what's brought out at the committee hearing yesterday, despite the fact of all of the charges that were made. Very definitely, we should have addressed the importance of consumer protections for the people here that use the utilities, and it was not brought out. And one of the issues in these documents that have presented here that has been of great disturbance to me and of great unsatisfaction is the dismissal of all of the lawsuits that were listed and attached on exhibit on these documents. These lawsuits were dismissed. The State of Illinois brought them forward. They should not have been

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dismissed. And I will mention, in particular, the lawsuit that was filed at FERC, the Federal Energy Regulatory Commission, which was filed by the state against all of the suppliers and, if it had been successful, would've returned all of the funds back to the citizens. Those were serious charges of manipulation. They should've gone forward. They should've had a hearing. They should've been determined. And instead, they were dismissed out without any type of a hearing, leaving back into this... this entire situation that cloud that I maintain has not been removed. The cloud of all of the allegations of backroom dealing and bid rigging should've been addressed... should've been addressed in that case where the manipulations were made. They were not. It's the consumers we should've protected, not the utilities."

Speaker Hannig: "The Gentleman from Vermilion, Representative Black."

Black: "Thank you very much, Mr. Speaker and Ladies and Gentlemen of the House. I rise in opposition to the Bill. I don't think I can add much to what Representative Krause has said. I... I am somewhat fascinated by the fact that as we stand here, we got blamed for the electric rate increase, the General Assembly, and we certainly had our share of the blame, but it was set by the Illinois Commerce Commission appointed by the Governor. And as it was reported by the media, he told the Commerce Commission, 'I don't want you to vote for a reverse auction process. And if you do, I'll fire you.' They did. He didn't. And that's the last bit of leadership we've heard from the Governor in the last 7

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months on this issue. So what do we do in this Bill? We create another state bureaucracy. The Illinois Power Authority, I think it's modeled after the TVA. Somebody better go back and read the history of the TVA. It was built during the Depression by WPA, when workers were paid five dollars (\$5) a day, and it was built to handle hydroelectric. Who appoints the Illinois Power Authority? The Governor. Well, with his track record of the Illinois Commerce Commission, why not? And they might be able to build electric generating plants. I should live long enough to see that. Ladies and Gentlemen, the only way we're going to get true relief in this state is to have competition. This Bill does not address competition. BlueStar Energy wrote to several people in my legislative district saying that they were willing to come in and talk to people and could save them money, but they would not come into Illinois until the regulatory climate was such that they could enter into multi-year contracts with some reliability that their contracts would not be changed by action of the Governor, the ICC, or now, the Illinois Power Authority. As Carol... as Representative Krause said, why were the lawsuits dropped? Why was the consumer fraud lawsuit dropped by the Attorney General? I had people a year ago, 12 months ago, enticed by one of the Ameren companies to build and move into an all-electric home. 'And if you do this, we're going to give you a rate of about two point four cents (2.4¢) a kilowatt hour.' Well, that's a great rate. They took it, they moved in, and in January, without even so much as a constructive notice letter, that two point four cents (2.4¢) rate, or

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whatever it was, went to nine point eight cents (9.8¢) without so much as a 'Happy Halloween' or 'Happy New Year'. No constructive notice to the consumer whatsoever. And that's three hundred thousand (300,000) plus customers in the Ameren areas. They should have given constructive notice. Or those people, at the very least... they're the people whose bills went up 200 percent. And you think this relief is going to make them happy? You better look at your charts again. The delivery cost isn't hardly mentioned in this Bill. Oh, it's regulated by the Commerce Commission. Well, that makes me sleep better at night. The delivery cost... according to a gentleman who was kind enough to send me this, the delivery charge in 2006 for an Ameren customer in Walnut, Illinois, was one point one cent (1.1¢) per kilowatt hour. In 2007, same community, same company, the delivery charge was three point three eight cents (3.38¢) a kilowatt hour. I can go even better than that. In ComEd, if you were on an electric heating rate, and they didn't have many of those customers... in '06, your delivery rate was point two cents (.2¢). Point two one cents (.21¢) a kilowatt hour. In 2007, that delivery charge was two point three five cents (2.35¢) a kilowatt hour. We're all watching the rates. Maybe this gentleman's correct, we oughta be watching the delivery charge, which is another way for them to make money. And last but not least, I stand in strong opposition to this process. We weren't excluded physically. There was no lock on the door. Carolyn Krause has traveled this state for two and half years. She's as knowledgeable about this issue as anybody in this chamber.

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But when it came down to actually drafting this Bill, it was drafted behind closed doors by Democrat Leaders..."

Speaker Hannig: "Repre... Representative, could you bring your remarks to a close, please?"

Black: "...finish up... I'll finish up, Mr. Speaker, for less than ten cents (\$.10) a kilowatt hour. While this was in its final negotiation stages... yes, Carolyn Krause and our Members of the committee could come in. But many of you will know what I'm saying. They were invisible. They were just ignored. They were there, but nobody wanted their input. Nobody was going to let Carolyn Krause have a significant role in the drafting of this Bill. No, you didn't physically excluded us... or exclude us. You just simply got to a certain point where our Representatives were made to feel... and if you know Representative Krause, she doesn't whine and she doesn't tend to exaggerate. But as she told me, it was obvious that we weren't wanted there and we were not part of the process when this Bill moved forward. The proof, Ladies and Gentlemen, will be in the pudding. You say it's great relief. I grew up in the heating business. We'll see. We'll see. The voters will let all of us know a year from November was this real relief or was this expediency relief? The voters will let us know. And all the calls in my district office have made it clear, they don't think this is real or substantial relief. And I haven't had one call in my district office saying this is a really good deal, please vote for it. I listen to my constituents, I do the best I can to represent them, and that's why I intend to vote 'no'."

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Speaker Hannig: "The Gentleman from Winnebago, Representative Winters."

Winters: "Thank you, Mr. Speaker. To the Bill. It's interesting, we've done quite a bit of revision to different areas of the statutes, including the telecommunications. And this spring when we passed competition for AT&T, allowing them into the cable markets, we had consumer protections in there. If they didn't meet certain standards of... of keeping service, of doing repairs, of quality of the video then there were... there were financial penalties. There are no consumer protections written into this Bill. This Bill also transfers from the ratepayers and the electricity users of the Commonwealth Edison territory around three hundred million dollars (\$300,000,000,000) that I have helped pay for and every one of my constituents has. It's being transferred out of the Commonwealth Edison territory into the Exelon... or into the Ameren territory. Now, I know that ComEd and Exelon do transfer power in, but it's for the industrial users. No rate relief for the industrial users at Ameren. This is a subsidy from Commonwealth Edison into... into the Ameren territory and I don't think it's a good deal for our... our constituents. The problem with this is... is that we designed a process through the interstate commerce... excuse me, the Illinois Commerce Commission that after hiring dozens of experts and days, weeks, months of testimony, was determined by the experts at the Commerce Commission that the best way to go into a competitive market purchase was to use the reverse auction. Unfortunately, we didn't like the results. The market told

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us that prices were higher than they were 10 years ago and we were going to have to pay those prices if we wanted power. Well, we didn't like the answer we got from the marketplace. So, what do we do? We changed the rules and we're betting on better prices in the future. I think that's a bet that we may well lose and we certainly are not going to see much in the way of rate relief. If I can just take an example, the Ameren territory. What's the average residential, non-electric space heating consumer going to see? They're going to be... see less than seven dollars (\$7) a month the first year, that's half the second year to three... less than three and a half dollars (\$3.50), and the rebate... get this, the rebate in the third year is all of an... of a magnificent eighty-four cents (\$.84) a month. Eighty-four cents (\$.84) a month. That's like ten dollars (\$10) off your power bill for the year, the third year of this... of this deal. It's not the answer that we were looking for and the Illinois Power Agency is not another answer. That is another part of this Bill that I think is a... is a fatally flawed idea. This state has no expertise in buying power, in negotiating contracts, in building power plants. If we were that good at running private industry... if we could compete with private industry, why do we have downstairs in this Capitol building a privatized cafeteria? 'Cause we don't trust the state to run it. So we hire an expert, somebody that does it for a living who has a profit motive. They are the ones that will give us the services that require the least possible cost. It's not the State of Illinois. Now, I do have some matters of legislative

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intent. To the Sponsor. The utility credits... and this was brought up in committee, George. The utility credits will come back. Does that require the purchaser to be buying from Commonwealth Edison or Ameren or can they be purchasing their power from a competitive bidder if... if such are in the market? I... I can actually read the question. For purposes of legislative intent, I wish to make something unequivocally clear. I want to clear that utility credits will apply to customers no matter where they get their electricity."

Speaker Hannig: "Representative Scully indicates he'll yield."

Winters: "The question is this. Will the credits be available to customers no matter where they get their electricity and even if they switch their... from the utility to an ARES and not apply as a credit only to utility-supplied electric commodities?"

Scully: "Mr. Winters, that is correct. I... I hope that I made that part of my initial presentation. And as you mentioned, that was something that we discussed at length last night in committee that this... in order to obtain this relief, the customer does not have to stay with his present utility. They can migrate to a competitor and they will still receive the relief."

Winters: "Speaker, I'd like a few seconds more for the second question of legislative intent. I want to make sure that this legislation does allow for power procurement contract terms of less than 5 years. Will you confirm that Section 16-111-5(B) (sic 16-111-.5(B)) allows for power procurement plans of the electric utilities to be comprised of contract

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terms of less than 4 years? So it could be a power term of 90 days, if they wanted to supply power to 6 months, 1 year, 2 years, 3 years. Those would also be allowed under this, that we can contract for less than 5-year terms."

Scully: "Yes. Could you give me that cite again?"

Winters: "It's Section 16-111-5, Subsection (B) (sic 16-111-.5(B)). I don't have a page referral."

Scully: "It's on page 169. The answer to your question is 'yes'."

Winters: "Okay. Thank you. Again, Mr. Speaker, to the Bill. This is a poor attempt, I think, at... at an answer to a competitive marketplace. The fact that the Attorney General is dropping lawsuits... if she brought these in good faith on behalf of the State of Illinois, they shouldn't be negotiated away in return for a bribe from the utility companies. If, in fact, there was price manipulation in the auction, then proceed and prosecute to those... those lawsuits to the fullest extent. If the Attorney General believes that there is consumer fraud, then to drop those lawsuits with prejudice, that means that these lawsuits cannot be filed again... if you have a good reason for filing a lawsuit on behalf of the citizens of the State of Illinois then continue the lawsuits. Don't negotiate 'em away in return for some... a pittance back to the consumers. They're getting less than one (\$1) out of every seven dollars (\$7) in increased rates. They're not going to see the relief that has been touted. I think this Bill is fatally flawed and I urge a 'no' vote."

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Speaker Hannig: "The Gentleman from Bond, Representative Stephens."

Stephens: "To the... to the Bill, Mr. Speaker. I don't know how many hundreds of phone calls that I've received about the utility rate increases this past year and what we were going to do about it. And we had all sorts of suggestions, most... or at least many of which House Republicans reduced to legislation and tried to get heard in this Body and got absolutely nowhere. With Democrat Leadership of this Body, good Republican ideas just seem to have a way of not getting to the House Floor. But I went back this last evening and started calling some of those folks who had contacted me over the past 6 months just to see if they knew what was going on in Springfield and what sort of leadership we were getting from the Democrat side of the aisle, and they've... they've heard about it. They've read what Ameren and ComEd and Democrat Leaders are doing for or to us. And quite frankly, to a person... everyone that I called yesterday was unimpressed. Absolutely unimpressed. But they tell me... several of them say, 'Well, you know what? We're gettin' used to it. We're used to Democratic Leadership. We're used to the kind of the leadership that the Governor provides or fails to provide. We're used to the Democrat Leaders failing with a budget, failing with rate relief, failing on every issue up and down the aisle. Failure, failure, failure.' With all due respect, Mr. Speaker, this is what your Party has come to stand for... come to stand for. It's what people are starting to expect. That failed leadership will pay a price. There will be a price paid."

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It will be paid by you in the fall of next year when each and every Illinoisan understands that you can't sell a bill of goods anymore. Fool me once, shame on you. Fool me twice, shame on me. We will not be fooled again. The people of our districts around the state are getting the message, and the message is not good for your side of the aisle."

Speaker Hannig: "Representative Eddy."

Eddy: "Thank you, Mr. Mu... or thank you, Mr. Speaker. Would the Sponsor yield?"

Speaker Hannig: "He indicates he'll yield."

Eddy: "Wow, are we a long way from a freeze. Isn't this something? I... I received the information from Ameren regarding this settlement and I read it and I read the rate relief and I gotta tell ya, I wasn't impressed. I thought, well, that may be a half a loaf. Maybe it's a half a loaf, maybe it's a quarter of a loaf. I did the same exercise that Representative Stephens performed. I called some of the people who were angry, some of the people in Southern Illinois who were in crisis, some of the people who... who were shivering. They were dying. And you know what they told me? 'This is not what we thought 7 months of negotiation would bring us in relief.' But I looked past that and I understand there's compromise involved in this process. So I read farther in the document and I read this part that says, 'The Illinois Attorney General has agreed to withdraw all related litigation and proceedings initiated by the Attorney General against Ameren companies.' So I thought, well, I need to brush up a little bit on what those

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were. So I decided to get the press release out that was on the Attorney General's website when the suits were filed. Here's a quote, 'Ameren IP and Ameren CIPS took unfair advantage of their customers. Many of these families invested in all electric power, installed all electric appliances...,' on and on. In fact, it says in December of '06, less than a month prior to the end of the discount program, that companies were still offering all electric, signed up approximately four hundred and forty-four (444) people in that month. That rightfully prompted the Attorney General to file suit for fraud. And the four hundred and forty-four (444) people felt like they were being protected by the person elected to do that by bringing this case. I don't think they expected this case to be litigated and adjudicated in the backroom of the State Capitol. They expected it to be adjudicated and their concerns... their concerns settled by a court. And I gotta tell ya, Representative, that's the part of this that began to trouble me. And then as I continued to read the press release, it says, 'The General Assembly Leadership agrees not to pass legislation that would freeze or reduce electric rates, impose a tax, special assessment, or fee on electricity generators through August 1 of 2011.' And I have to ask myself, is this good for the people that sent me here to represent them? Is the rate relief good? That's a quarter of a loaf. It's not what they expected. Is it good that the lawsuits that were brought... and I remember standing on this floor hearing the word to describe, during the Committee of the Whole, to describe the reverse auction as a

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'fix'. That's what it was called. So we filed litigation. Is it in my best interest to give up on my consumers, my constituents? That... and then I read the third thing and I say the people that we're binding in the future with this aren't even elected yet. We haven't had the election of 2008 and the election of 2010 and we're in backrooms making deals, guaranteeing in some manner that the General Assembly Leadership agrees not to pass legislation. So Representative, with all due respect... and I appreciate your hard work on this as well, but for me to face my constituents and say to them, 'You know, you got a quarter of a loaf, but there's no relief from what you consider's to be fraud and what this General Assembly and Members of it... Members of this General Assembly referred to as a 'fix'.' I'm sorry, but that's not enough."

Scully: "Is there a question, Mr. Eddy?"

Eddy: "The question... to the Bill. This wasn't a question. Bottom line is, unfortunately, I had hoped for more. I had hoped that we would be able to get rate relief without having to stoop to the level of dismissing lawsuits and binding future General Assemblies. Now, I understand there's compromise in everything and I understand there's a process that brings compromise. But I also understand there should be a line beyond which compromise cannot take place. And when it comes to the rights of the consumers and my constituents and when it comes to the idea that we're going to negotiate future gen... future General Assemblies out of this, that's where that compromise should end."

Speaker Hannig: "Representative McCarthy."

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McCarthy: "Thank you, Mr. Speaker. Will Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

McCarthy: "Representative Scully, I just have a question about the stability of the market going into the next couple years. It's my understanding that, ya know, all the power's already been bought for the current cycle which runs from January 1st of this year to, like, May of 2008. Is it also true that, like, two-thirds of the power from May of 2008 to 2009 has already been purchased under the reverse auction scenario?"

Scully: "A third of the load will be up for another auction in January of 2008."

McCarthy: "For the 2008... May 2008 to May 2009. And at that point, is the plan to buy a third of... the remaining third that we need for that year and then one-third of the next year, that would make it two-thirds that would then be in the... basically negotiated for?"

Scully: "I'm sorry, could you restate your question?"

McCarthy: "I'm saying, we already have two-thirds purchased from May 2008 to May 2009. So in January of 2008, we will purchase the third of that year, so we complete the year there for that cycle. Will we also be, at that time, purchasing one-third for the following year..."

Scully: "Yes."

McCarthy: "...so we're always..."

Scully: "Yes."

McCarthy: "So, we're always on a 3-year cycle when we're purchasing one-third, one-third, one-third."

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Scully: "Right. Each year, one-third of the contracts will lapse."

McCarthy: "Correct."

Scully: "And those contracts that have lapsed will be resubmitted for bid."

McCarthy: "So that was under the original proposal and we kept it that way, so that will give us stability in pricing into the next 2 or 3 years for sure."

Scully: "Yes. Now, that is the current structure. We're not confined to that structure. In the short term, we're... we're confined because we don't have an alternative structure for laddering those contracts. Several people who testified before the Electric Utility Oversight Committee stated that merely laddering those contracts as one-third, one-third, one-third was... is not a sufficient distribution of the risk, that a much more even and fluid distribution would be a more appropriate way and also to avoid... also that they should be repriced more frequently than once a year."

McCarthy: "Okay. But... but under Senate Bill 1592, the contracts that were entered into to purchase that power through May of 2010 are going to be held and they will not be... try to be negated in any way."

Scully: "Right. Those con..."

McCarthy: "Okay."

Scully: "Those contracts are staying in place. We are not interfering with anybody's contractual rights, which is a critical component of this legislation to make sure that the legislation does not run afoul of unconstitutionally impairing someone's contractual rights."

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McCarthy: "Okay. Well, I just end by saying I appreciate the fact that we negotiated this instead of litigated this. My position from the beginning was that going to the courts was not a solution for anybody. So, I compliment you on that. I do think that even though in the final solution Representative Krause may not have been involved I, think that her input throughout the process was valuable and I hope that the negotiating team did... did include that. I also would be remiss if I didn't say that Senate President Jones, in refusing to put rate freeze negotiations forward, I think that a wise move and served the people of the state very well by... by keeping this as a negotiation and not a litigation. Thank you."

Speaker Hannig: "Representative Bost."

Bost: "Oh, thank you, Mr. Speaker. I don't know where to begin. Ya know, when we came into here dealing with this particular issue at the beginning of this year, many of my constituents came to me, as they did each one of you, and said we've gotta have some real relief. Ya know, I've... I... I've watched this Bill be put together... No, I'm sorry. I couldn't watch it. It was in the backrooms and I really didn't get the opportunity to see it. I saw it yesterday and... and began to study it then. But the proposals that were out there and the arguments as we had the Committee of the Whole and the problems that we needed to deal with, I don't know... Will I probably vote for this Bill? I... I probably will. But do you know why? Because it's all that your side of the aisle is going to give. Your side of the aisle that... in the negotiations, one of the key negotiators from the Senate... or

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the Leader in the Senate, we understand, is... has a real good and tight bond with Commonwealth, a special bond with Commonwealth. So, it's only going to be natural that my constituents are questioning where this language is coming from, whenever Representative Eddy probably described it best, why are we only receiving half of loaf? Why are we just dealing with... with the small... and by the time it's all said and done and our constituents see it, I think they're going to wake up to exactly how small it is in comparison to... to their bills that they just got sticker shock with or bill shock or whatever you want to call it when the rates first went up. It'll be wonderful when they get their eight (\$8) and ten (\$10) and twelve dollars (\$12) checks. They'll be so happy. And... and they'll really feel like that we did something for them. I... I am concerned as Representative Eddy and others have spoke about, about the fact that we dropped suits that were, I thought, very sensible suits and concerns, of the way this process was... or the way that these companies were handling situations. But because of this legislation, now we're going to drop that and we're not going to pursue that because consumer protection, I guess, is not that important and those... those lawsuits weren't... maybe... maybe they weren't really needed to be filed. I don't know. I'm concerned also that we have certain Members that led the charge on this screaming, 'Unless we have a rate freeze, we're not going to do anything.' Guess what? This ain't a rate freeze. This is not a rate freeze. This is crumbs being thrown to our constituents so that we can get done with this work and we can get out of here, because

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we're not standing for them. We're not in this legislation. Folks, you've built up this wonderful thing that we're going to cure this problem to our constituents. Told'em; we're going to cure it. No, you're not. You're handin' 'em eight bucks (\$8) and you're reducing the rate for a little, teeny, tiny bit and 2 or 3 years from now, well, guess what? It's going to be right there in the exact same place, and you've done it by dropping legislate... or dropping lawsuits that were actually, I thought, would've made some sense to aggressively go after those people who put us in this situation in the first place. I'll tell you the other problem that I have. We have... we have set here, we told our constituents that we're going to provide all this, and then we've created an agency. And what are we going to do? We're going to let the one person that's held up... that's done nothing on this appoint the head of the agency. Now, that makes sense. I don't know if you know it or not, but our constituents, yours and mine, are getting to the point that they don't trust us anymore because of the backroom deals, because of the way things like this are handled. Shame on all of us."

Speaker Hannig: "Representative Tracy."

Tracy: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Tracy: "Representative Scully, as you know, over the past month, since January, I've... I applauded your efforts to bring the utility issue to the forefront by having the Committee of the Whole hearing and I've inquired quite a bit after that as to what progress was being made in these negotiations and

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worked towards a solution in both the House and the Senate, towards the utility crisis, the electric rate crisis. As my district, the 93rd District, the people were suffering. Small grocers, in a town of twelve hundred (1,200) being the only grocer, had a utility bill... electric rate increase of three thousand (3,000) a month and then had to start opening extra days and extra hours to try to pay for his electric bill so he could remain open. And the senior citizens in the three-room apartments, keeping their heat at 68 degrees in the coldest parts of January, had to use 61 percent of their Social Security bill (sic-check) to pay their increased electric bill. And I heard a lot from schools and municipalities, the municipalities not being able to meet the high electric increase in their street lights and the schools not being able to meet the increase. And I was wondering, in this package... my question, first of all, is on the schools. What provision is made to allow for the schools and is there any rate relief provided for them?"

Scully: "Rep... Representative, those schools might be eligible to participate in the targeted relief program for the nonresidential hardship programs. There's been two million dollars (\$2,000,000) set aside for that program. Excuse me. The nonresidential special hardship program."

Tracy: "So is... in the Ameren territory, is it two million (2,000,000)?"

Scully: "There's also twenty six million dollars (\$26,000,000) of targeted special credits for nonresidential customers, in addition to the two million dollars (\$2,000,000). So, your schools might be eligible for that relief."

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Tracy: "How would they apply?"

Scully: "They would have to get in touch with Ameren."

Tracy: "So you do not know, if they're eligible, what amount they will get, or how that will play out."

Scully: "That's correct."

Tracy: "So I will go back to my schools and tell them for planning their budget, given we don't have a state budget for them to help plan, but given that their individual school budget, they are not going to be able to plan for next year's utility costs."

Scully: "Is that a question or a statement?"

Tracy: "I'm asking, how will they plan for this in their budgets? You're telling me to go back to them and call Ameren. Is that... is what... that your answer?"

Scully: "No. My... I told you that they can call Ameren to see if they are eligible for that program. I did not tell you to have them call Ameren regarding the planning of their budget."

Tracy: "No. No, of course not. But what I am asking is..."

Scully: "That was your question."

Tracy: "What... how are they eligible and not eligible for this hardship rate relief? What does that mean?"

Scully: "That means that, that as I stand here before you today, I... I don't have the knowledge to tell you whether they're eligible for the program or not. I don't have that knowledge."

Tracy: "Okay. Is there a cap on the hardship program, per individual applicant?"

Scully: "I don't know."

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Tracy: "It seemed to me somewhere I saw that it might be in the range of five thousand dollars (\$5,000). If, in fact, the schools followed within that hardship prevision, it seemed in the information I had that they had a five thousand dollar (\$5,000) cap."

Scully: "I don't have that information available."

Tracy: "You mentioned earlier that you were in Quincy this week and visited with the mayor of Quincy. I was not there. I actually wasn't invited to that... that little press conference because, of course, we hadn't participated in this rate relief package. Did the mayor mention to you about his problems with paying the City of Quincy street light bills?"

Scully: "I don't recall him... I don't recall him mentioning that to me."

Tracy: "Okay. He mentioned to me very often, from January on, that the cost..."

Speaker Hannig: "Excuse me, Representative. Could you bring your remarks to a close?"

Tracy: "I will. The increase in cost was forty-two thousand (42,000), approximately, per month for the city to do the street lights. In this package for the Ameren territory, there is one million dollars (\$1,000,000) allotted, as I can see, for street lights, municipalities, and the like. How will that be divided?"

Scully: "It's my understanding that's a program that is going to be administered by Ameren for the conversion of street lights to a more efficient structure. Representative, I also wanted to go back to your initial comm... your questions

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regarding my discussions with the mayor. I've had several discussions with mayors within the past week and certainly within the past several months about the cost of them providing electrical lighting for their municipalities. I may have had that conversation with the mayor of Quincy. I don't specifically recall that, because he was... he was not telling me information that I was prev... that I was previously unaware of other than he may have been telling me information specific to Quincy. From what he described, if there was such a description, the problem that he is experiencing in Quincy is... was no different than the... described by many other mayors in my district and mayors from other parts of the state. That burden is shared throughout the state. In the decision... the composition of this legislation is, number one, creating a pool of relief. That pool is one billion dollars (\$1,000,000,000). To the best of my knowledge, this is the biggest pool of relief in the history of the State of Illinois on a consumer protection action. Number two, the second question, how is that relief distributed? In the negotiations, the decision was made that for presentation to this House the relief would be structured primarily as I have presented it, with the primary relief being sent to the consumers of electricity, the residential consumers of electricity, based upon the... their proportionate impact. In direct proportion to the impact, we made the decision and I... certainly, many people will second guess this decision, that that was the most equitable way to distribute the relief package. I'm very proud of the conclusions that we've reached. And other

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people will second guess those decisions, they're free to do so. If they want more money to go to the municipalities, sobeit. Take that money away from the residential consumers. Those were the decisions that had to be made and I'm proud of the way they were made."

Speaker Hannig: "Okay. So, Rep... we've got 13 additional people wishing to speak. So, Representative Reis, you're next."

Reis: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Reis: "Now, Representative Scully, I, too, would like to thank you for all your work on this and it's been, for what meetings we were in attendance, it was very enlightening. I do have... most of my questions have been addressed, but I'd spoken with you earlier this morning about the 'will' versus 'shall'. Ameren 'will' make the refund payments. ComEd 'will' make the payments versus 'shall'. And is there any, I guess, advantages there? Is there any concerns that we should have that they won't make those payments because it's not 'shall'? It's not firmly engrained in the legislation?"

Scully: "Well, I disagree that it is... with your statement that it's not firmly engrained. The Attorney General's Office has the authority to enforce these agreements. And I think... and a commitment, a contractual commitment, a legislative commitment that someone will do something. I do not see the legal difference between 'will' and 'shall' in that context. And I just..."

Reis: "Is there any financial... financial benefit from the power companies that they can use the terminology to write that

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off versus not being able to write it off their books as a loss?"

Scully: "Representative, you had stated to me earlier that you thought that there was a financial difference. I am... other than the statements that you made to me, I am not aware of any difference."

Reis: "Okay. Thank you. To the Bill. I just want to summarize some of our... our concerns with this and, as it's been mentioned before there's no perfect conclusion to this. But I just want to... we've got these charts that are going around and three (\$3) to eight (\$8) dollars and eleven dollars (\$11) and twenty dollars (\$20), but when you really package this all up, it's been given in testimony during the Committee of the Whole meeting, we reaffirmed it yesterday, that all the increases that took place, went into effect in January of this year, add up to two point four billion dollars (\$2,400,000,000) a year on consumers. This is a 4-year program. So over this program, power companies are going to get a... over nine billion dollars (\$9,000,000,000) more from our consumers. And when you put this in perspective with this billion dollar (\$1,000,000,000) relief package, yes, it is substantial, but it's not in the realm of things. And when we go home and tell our constituents that your bills are going up nine billion dollars (\$9,000,000,000) a year over the next 4 years, but we got ya a billion dollars (\$1,000,000,000). And when I called around to my people who called into my office last night, there was just silence on the other end of the phone and they said, 'Is this all we can do?' In addition, to make

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matters worse, the power companies, some of them have already petitioned to the ICC to raise their distribution fees. If we're really concerned about consumers and protecting their... their rates and their monthly bills, we should have some protections in there to keep them from raising their fees and their rates to recover this. So, in put this into perspective, you're charging them nine billion dollars (\$9,000,000,000) more for their electricity, you're givin' 'em a billion dollars (\$1,000,000,000) back, but you're taking it back out of their pocket with increased fees. I'm sorry, there's no consumer protections there. And how can we go home and expect our folks to be happy with that? And in fact, once all the shine and glitter wears off of this, they're not going to be happy. We're also concerned with the dismissal of the lawsuits. I think the most egregious thing that's... was takin' place in this deal was that the case against the power company for price manipulation... that was a legitimate lawsuit that was filed. I read the Attorney General's ruling on this... or where they filed the complaint against them that the rates were not just and reasonable and that, consequently, the burden of the people... we're going to burden the people with at least four point three billion dollars (\$4,300,000,000) in excess costs. How can you just toss that out because the power company said we're not going to give you this settlement money unless you throw 'em out? Finally, the formation of the power authority or the power agency; we question the constitutionality of us being able to set this up, its effectiveness. Recent editorial, I'd like to read this.

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'The Democratic Leaders of the state have faith that a system of government regulation will produce better electricity rates than the auction. Keep in mind, the old system of government regulation led to prices that were so politically untenable that the state scrapped it, cut prices, and imposed a 9-year rate freeze. So even... so an even more complicated regulatory process is supposed to be any better. You have to wonder if the politicians have thought this through. If a state electricity agency can't negotiate better prices, the voters will know exactly who to blame and that's the pol...'"

Speaker Hannig: "Could you bring your remarks to a close, please?"

Reis: "I will, Mr. Speaker, and thank you for your indulgence with everybody today. I guess yesterday when we were waiting for the meeting room to open up, we were walking the halls for a couple hours, and throughout the testimony, the thing that really occurred to me was that everybody had a smile on their face. And I know from my poker-playing days that when someone has a smile on their face they're usually happy with what they got. And I... I feel that if the power companies had been steamrolled the way our constituents have been steamrolled this year with their high prices, that they wouldn't be smiling. And that has to really make me wonder about the... the effectiveness of this plan and how much relief it is really going to provide to our constituents. Thank you."

Speaker Hannig: "Representative Leitch."

Leitch: "Thank you, Mr. Speaker. Will the Gentleman yield?"

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Speaker Hannig: "He indicates he'll yield."

Leitch: "Are the utilities able to raise their rates over the next 4 years... under this plan?"

Scully: "This pl... this legislation does not prohibit an increase in electric utility rates. That increase would have to go through the procurement process."

Leitch: "So, we really can't rely on the projections that have been represented as cost savings? As meager as they are, it's still possible for the rates to increase. Is that also true with the distribution charges?"

Scully: "The utility companies have the right to request to the ICC to adjust their delivery charges."

Leitch: "Are the utilities able to recover the cost of power procured in the RFP process?"

Scully: "Yes."

Leitch: "I would say, among other things, it's deja vu all over again. In the interest of time, I would associate myself with those who have criticized what is truly a disgusting process that resulted in a disgusting outcome, and my only regret is that somewhere in this litiga... in this legislation it's going to actually say that Members of the General Assembly had something to do with this, because I'm pretty sure that when my constituents find out after seeing their bills double, triple, and quadruple, that that eight bucks (\$8) a month or ten bucks (\$10) a month that they'll see as relief will bring some rather interesting expressions of concern to my constituent office. I think this is an appalling process, an appalling Bill and it's not worthy of this Body. We could certainly do better and I would hope

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that this Bill will be rejected and that we will set about providing real relief to our constituents and to the people of Illinois. Thank you."

Speaker Hannig: "Representative Lang."

Lang: "Thank you, Mr. Speaker, Ladies and Gentlemen. I rise in support of the Gentleman's Bill. First, let me say that Representative Scully and others who were involved in the negotiations on this put in substantial number of hours in negotiating this, perhaps more hours than on most things that we do around here, and they should receive our plaudits and our thanks for all the hard work. Second, I'm saddened that after we've spent a lot of time around here kinda working together on a number of issues, kind of having one caucus, if you were... as you... if you will, working forward, that today we've devolved into partisan rhetoric. The utilities... the rates that people pay should not be a partisan issue, and some on the other side of the aisle, who have spoken today have tried to turn it into a partisan issue. Some who have spoken against the Bill, saying it isn't enough, actually voted against, against, the rate freeze when it was on this floor, and we've had it on the floor three or four times, So to speak today and to say this isn't enough and we should have a freeze and we should have a rollback, those are pretty much crocodile tears because the record shows that some of you who have spoken today voted against the very freeze, three times, that you suggest today we should have. So the partisan rhetoric, forget about it. Let's start talking about the facts, and the facts are we passed the freeze, without the help of many

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of you, three times on the floor of this House. It went over to the Senate and it wasn't going anywhere. What should we do? Should we continue to insist on something we cannot make happen or should we move forward to try to do something to benefit the ratepayers of the State of Illinois? I voted for the freeze each time. All of you can't say that. I voted for the freeze each time, many on this side of the aisle voted for the freeze each time, freezes, rollbacks, return of payments made. We sent it over to the Senate three times, Ladies and Gentlemen. It isn't going to pass the Senate. It isn't going to happen over there. Many of you joined many of us in our disappointment that we could not get it passed in the Senate. That our... the cooperation we were looking for over there for our way of doing this and to provide better and deeper and stronger relief, you joined us in that and it didn't happen. And so, here we are in an overtime Session working on a budget, trying to make something happen for the people of Illinois. And what would any of you have us do? Reopen negotiations that aren't going anywhere or would it be better to do something for the people of Illinois? And I would submit to you that while you can take each individual person's bill and talk about a small amount of money that you can identify that that person might get back, I would submit to you that a billion dollars (\$1,000,000,000) is no small item. A billion dollars (\$1,000,000,000) is not a small item. If it were, the budget would have been done long ago. So, a billion dollars (\$1,000,000,000) is not a small item. I would prefer, as many on this side of the

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aisle and apparently now most of you on that side of the aisle, to have a freeze, to have a rollback, to really smack Ameren and ComEd around, but the facts are it isn't going to happen. The facts are this is all we can do. And so, since this is all we can do we ought to support this legislation, not because it's the best possible product, not because it's what we would have preferred, not because every ratepayer in Illinois is going to come to our offices and thank us, not because of any other reason other than it is time to act, it is time to accomplish something for the citizens of Illinois on their rates and if we do not pass this today there will be no relief for ratepayers. Those are the facts. So, make it partisan rhetoric all you want, but the facts are the facts. We must pass some rate relief. You can make all the speeches you want about how the Majority Party has abused the process and hasn't included you, make all those speeches, talk about freezes that you didn't vote for, but it's time to act. This Bill does that. Those who negotiated ought to be thanked rather than vilified and I would strongly suggest your 'aye' votes."

Speaker Hannig: "Representative Tryon."

Tryon: "Thank you, Mr. Speaker. I rise in opposition of the Bill. And if the Sponsor would yield, I would like to..."

Speaker Hannig: "Indicates he'll yield."

Tryon: "...express my opposition. Thank you. Ladies and Gentlemen, Members of the House, I look at this rate relief package... that's what we're calling it... but for all intents and purposes, it's a settlement agreement. They give us a billion dollars (\$1,000,000,000), lawsuits go away, and we

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distribute that back to ratepayers. And the problem that I have in a settlement agreement is that I believe that the distribution of the proceeds should be fair and equitable between Commonwealth Edison ratepayers and Ameren ratepayers, and this is neither. When I look at this settlement agreement and Exelon puts in seven hundred and forty-seven million (747,000,000), ComEd fifty-three million (53,000,000), 80 percent of this money is being put up by profits that were paid for by ratepayers from Commonwealth Edison. And when I look at the fact that 80 percent of the money is being put up by Exelon and ComEd and we are getting 48 percent of the benefit, I don't think that's right. I think if you represent a ComEd ratepayer you have to ask yourself, why is the ratepayer and ComEd having to subsidize the rest of the state? I think those are valid questions. I do think a billion dollars (\$1,000,000,000) is a lot of money. And I do think that when we divide it up it should be divided up based upon some type of formula of where the money came from. You can say that Ameren buys 30 percent of its power from Exelon and you could put that variable in the package. That however you put these variables in the package, you're going to find that it isn't as good a deal for the Commonwealth Edison ratepayer as it is for the Ameren ratepayer. And in fact, you have to ask yourself, is this the best we could do? I think this Bill should go back. I think we should look at how we're going to equitably distribute this money, because this isn't it. I can't go home and tell my ratepayers you get to put in 80 percent of the settlement package, because that's not right.

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I think each one of you have to ask why should some of our poorest communities in the state who are serviced by Commonwealth Edison not take advantage of the fact that most of this money that is being put up here is paid for by ratepayers from ComEd? I think this is wrong. I'd like to see this Bill worked on a little further. I would like to see it negotiated a little further. The problem is, if you add all the ratepayers together and 70 percent of 'em are ComEd ratepayers, shouldn't 70 percent of the money go back to ComEd ratepayers? I don't think 70 percent or 80 percent is the number. I do think there is a number that's fair and equitable and this isn't it; therefore, I can't support it."

Speaker Hannig: "Representative Fortner."

Fortner: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Fortner: "I think there's definitely some merit to having an RFP process as part of the procurement, but I have some questions to make sure I understand how that would work. As I understand it, there are certain circumstances where the utilities would be able to buy on the... essentially, the spot market. Being able to buy from the regional transmission organization through wholesale or day ahead because of certain circumstances where either the power provider has failed to provide or there is a shortfall based on the plan submitted. We know that those prices can often be much, much higher than the base level. What is the oversight to make sure that that power was acquired at least cost? Looking forward at... we understand it has to be acquired at

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the time it's needed. But then after we go billing it, how do we know that that's been acquired at least cost?"

Scully: "Representative, the... the answer to your question is this. Certainly there are a variety of different possibilities under which a utility company, such as Commonwealth Edison, would have to go into the spot market for a... quite simply, if one of the suppliers defaults on a contract, if a power plant breaks down. Now..."

Fortner: "I understand that part, I guess... Let me get to the point of my question, which is the price at which they acquire that power on the spot market. What mechanism is there, if any, to see that that was acquired at least cost? We know that in other areas where the ICC has regulatory authority, for instance, natural gas, we were presented with information that they go back and look to see that short-term purchases were done at least cost. What is done in this case?"

Scully: "Representative, the... the... the market price has to be justified with the RPO. So, there are safeguards within the federal regulatory scheme to establish that those prices are fair. And quite frankly, the... the power market is... is not quite as fluid as the stock market, but it is quite fluid that at any given point in time you or I could probably get access to people within this room and they could tell us what the price of power on the spot market was an hour ago."

Fortner: "Sure. Okay. So, the... the next question I had. Another part, there seems to be a provision in there that utilities could become procurers of the... owners of the... of... of actual power production, either through investment or..."

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Scully: "Yes."

Fortner: "...direct ownership."

Scully: "Yes."

Fortner: "In that case, it would seem that it... once they have demonstrated that that's the least cost alternative, they are no longer subject to having to have that go through the RFP processes in the... in the future. Is there a mechanism so that if, in the future, they've already gotten approval to acquire some interest in... let's say, interest in a plant and they've already shown that that's a least cost alternative, at that... at a future point that now is a higher price, is there a mechanism in there to essentially make them be competitive with other bids that would be acquired at the RFP?"

Scully: "The mechanism is... the primary mechanism of the entire process is a very open process and those approvals would have to be obtained through the... from the ICC."

Fortner: "I understand that, but it appears in the language that once they have been granted the least cost alternative, if they are acquiring power... this is for a utility that is either investing in a facility or outright purchasing a facility and they've shown that it's the least cost alternative, that in that case it... there is language that seems to exempt them from the process once they've gone through that step. And I don't see the provision that gives assurance that if later those costs for operating that facility rise, that they have to again compete with an RFP. And if just contrast that with someone who's invested

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independently in that same facility, they would have to, at the regular process, go through the RFP cycle."

Scully: "In order to proceed with the either acquisition or construction of a power plant, the utility would have to demonstrate that that is the least cost method."

Speaker Hannig: "Representative, your time has expired. Could you finish answering the question and then we'll let the Gentleman conclude his remarks. So, Representative Scully, please."

Scully: "Now, if the utility company makes a decision to proceed with becoming a generator of electricity, they would have to demonstrate upfront that by all foreseeable standards it is probably going to be the least cost procurement. But there is definitely a possibility that it is going to be economically disadvantageous in the future to be a generator. I'll tell ya, last September I wish I was a generator. I've been saying for a long time that one of the things... when I grow up, I want to be a regulated public utility. Even better, is if I could be a nuclear power plant. I'd make a ton of dough if I could do that. But if the price of uranium goes through the ceiling, that's not going to be so much fun. If I own a nuclear power plant and I have contracts that I have to commit to... that I have committed to, that I have to perform on and suddenly something goes wrong with my reactor and I gotta shut down, I, as the generator, have to go out into the market... to buy on the spot market to fulfill my contracts. What we have to do is make sure that these entities are reasonably and rationally controlling the risk. We want to give the power

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companies the legal ability through this legislation to take those actions, if that is a reasonable and prudent business solution to the least cost procurement of power."

Speaker Hannig: "Can you bring your remarks to a close, Representative?"

Fortner: "Thank you, Mr. Speaker. On that last point, I guess I'm still left with some concern and the concern is this, that what the language says... now, the Sponsor used the word 'power companies', but one of the things that we've done is we've distinguished between utilities and power companies. What this language is saying is that the utilities can go back into the market and become power owners, which is something that we in general have separated, that says the utilities can actually acquire that. And the concern I have is once they've gotten into that position, and I understand there's a process by which we would think that at the time of the decision, that was a good decision that the... they would no longer be subject to the same RFP process. They would not be on an even playing field with someone, a third party who is not one of the two big utilities, who had made an investment, let's say, even in the very same facility and then wanted to enter into a contract through the agency to do the power. So, I... I think there's a lot of little issues that in my mind I still have some concern to make sure it's really a level and fair playing field to make sure that the Illinois consumers of electricity are getting the lowest possible price. Thank you."

Speaker Hannig: "Representative Washington, you have 5 minutes."

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Washington: "Thank you, Mr. Speaker. Mr. Speaker, to the Bill. Mr. Speaker, I want to go on record to say that I wasn't any... I wasn't in any backroom making deals, but I was in Room 114 when we talked about this. And I know those individuals who were there with me were there for good intentions, because all of us pay bills. There's not a Legislator in here that doesn't pay a bill, at least none that I know of. I'm a ComEd consumer and my mother's an Ameren consumer and listening to some of the words, for whatever the intentions or motivations are... you know, speaking for myself, I'm very grateful for the work that went into this, for the many people who labored to come up with something not just for Republicans or Democrats, but for the people of the State of Illinois. I thank the utility companies for being flexible. And I'm glad we avoided... I think it's a wise choice that we avoided a court battle, because nine out of ten... myself not being a lawyer, but I'm sure many of those who are lawyers in here would know that we would have not prevailed. And as we and see everyday the amount of money flashed on the screens about how much money it is to keep us in Session, look at the amount of money that we would have paid the taxpayers at the cost of trying to fight utility rates. And number one, I wanted to make it clear that, of course, this is an imperfect 95th General Assembly in an imperfect world. This is one of many imperfect Bills coming out of this chamber, but I believe it is fair and it's the best that we could come up with. And at the same time, I think that it will help those, myself, other people in the State of Illinois be

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able to get some management control. We don't control the market prices, so there's no way this Bill would be implemented thinking we could dictate to a business in a capitalist society on rates and what the market will bear. I think any of us who know markets know that they are unpredictable. And as we talk about cost increases, I would wish that we would apply that same ethic of cost increase to the war. I think that we should end the war right now. I don't think money should be put out there to continue something where we losing a loss life and money that could be going to solve problems here in America are going abroad for a civil war. But yet, that's reality in an imperfect world. So, I want to say to the Bill, I'm glad to be associated with this particular legislation. I know it doesn't come easy and I know there's going to parts of it that won't please everybody. But we know that for the sake of personal ego, this Bill should not be sacrificed. On one hand, being hypocritical talking about the people of the State of Illinois and the relief we want to bring and what we want to do; yet, most of us are crying about we want to get out of here; yet now, we want to belabor the point, to play politics. I think it's wrong, it's immoral, and it's something that we shouldn't do, and I urge favorable passage for legislation to Senate Bill 1592. Thank you."

Speaker Hannig: "Representative Durkin."

Durkin: "Will the Sponsor yield?"

Speaker Hannig: "He indicates he'll yield."

Durkin: "I'd like to at least first state, George, you indicated that you would not like to be regulated in any sense if you

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were a generator yourself. But I would say that this Body perhaps would like to regulate some of the outfits you've been wearing lately, in particularly the suit you have on today. But that's for another date and another time. George, in this legislation is there any requirement that the Governor must appoint the executive director within a certain amount of time upon this becoming law?"

Scully: "No."

Durkin: "Why not?"

Scully: "We did not an... I did not anticipate that that would become a problem. I would hope that the Governor would act... move expeditiously to exercise his authority to appoint the right person. Obviously, we have to find the right person. The right person for this job is not going to be easy to find. It's a person that has to have credentials. It's a person that has to have the willingness, the ability, and the willingness..."

Durkin: "I understand..."

Scully: "...to comply with the limitations on prior employment as well as post employment."

Durkin: "My only concern is that we now have a current commissioner with the ICC. That position's been vacant for over 6 months and there is currently the chairmanship of the Illinois Health Facility Planning Board position that has been vacant for over... from 6 to 8 months. I'm worried about the lack of initiative on behalf of the Governor's Office to fill very sensitive and important boards and commission positions in this state. And I am also concerned that if this does become law that there will be lag time before this

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administration puts somebody in that position. Is there any way that... this just came to mind. I wish I would've brought it to your attention a little earlier, but I would rather..."

Scully: "I wish you did, too."

Durkin: "I do. But I'd like to see that, you know... but you... let me get back a little bit. Do you know if the Gov... is the Governor's Office..."

Scully: "May I respond to that?"

Durkin: "I'd like for you to respond, please."

Scully: "This legislation does rely upon the Governor to do his job to appoint an appropriate person. It relies upon the Senate to properly advise and consent. It relies upon... this legislation relies upon us to continue to be vigilant of the manner in which this director, this agency, carries out the functions that we have assigned to it."

Durkin: "All right. All right."

Scully: "So we... as I stated earlier, we cannot simply pass this legislation then wash our hands of the project and say that we have now created an agency. We have people responsible. We, as the elected Representatives, have to continue to be vigilant..."

Durkin: "All right."

Scully: "...and we must also rely on the other branches of government to do their job."

Durkin: "All right. You're eating up my time, George. But, all right. And you're very good at it."

Scully: "Thank you."

Durkin: "You know, we're going to have contracts that are... I believe that are expired next May. I hope that we do have a

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system in place, we have a functioning agency. I'm not going to get into that other issue about agency. We had a nice constitutional discussion yesterday. But I hope that we have..."

Scully: "I thought we had ample opportunity to discuss that last night..."

Durkin: "Yes."

Scully: "...after the committee meeting."

Durkin: "Yes."

Scully: "And I greatly appreciate your input and your thoughts on that."

Durkin: "Sure. But that's my only concern, is that whether we're going to have a functioning agency by the time these contracts expire next May. And I hope that you are... you communicate that to the Governor's Office that if he does sign this into law that they move expeditiously to appoint an individual who does fit the requirements under the statute and they move it quickly, his appointment, through the Senate. And I know you're a man that will follow through with that. My other question is now Ameren... I'm sorry. Midwest... Midwest Gen, MidAmerican Energy, and Dynegy all are contributing, collectively, fifty-one million dollars (\$51,000,000) to this fund?"

Scully: "Correct."

Durkin: "Twenty-five million (25,000,000) from... twenty-five million (25,000,000) from MidWest Gen and twenty-five million (25,000,000) from Dynegy and one million (1,000,000) from MidAmerican Energy Company."

Scully: "That's correct."

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Durkin: "Let me ask you this. Of these three companies, did any of them send electric bills out to consumers in the State of Illinois in the past 6 months?"

Scully: "All three of those companies are generating companies. They are not utility companies and they did not send... send bills to anyone other than the power companies for the power that they sold. Those..."

Durkin: "But they never sent one out to... these three entities did not send one power bill out to one consumer, residential or..."

Scully: "That's correct. Neither did Exelon."

Durkin: "Yeah. So why are we penalizing them and what is the public crime that they've committed, forcing them to have to contribute fifty-one million dollars (\$51,000,000) to this fund?"

Scully: "Representative, I don't consider this a penalty. It's a voluntary payment on their part. They had the right to say 'no'. They chose not to. They chose to participate in this resolution."

Durkin: "Who in their right mind is going to say, sure, we'll... we'd love to participate and put twenty-five..."

Speaker Hannig: "Representative, your 5 minutes have expired. Could you bring your remarks to a close?"

Durkin: "Well, I think that I spoke maybe one minute, as I said earlier. Again, what is the public crime that they committed which forced them to have to be part of this agreement?"

Scully: "I've never suggested that they did commit a public crime. I don't why you would..."

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Durkin: "Are you suggesting that they came and they wrote twenty-five million dollar (\$25,000,000) checks... MidWest Gen, Dynegy, and MidAmerican Energy wrote fifty-one million dollars (\$51,000,000) in checks voluntarily just because they want to... just for the betterment of society?"

Scully: "For the betterment of the electric utility market in the State of Illinois, the answer is 'yes'. They apparently made that decision. And I want to emphasize that we'll use a very simple word, 'peace'. Another simple word would be 'stability'. The people of the State of Illinois are better off with stability. The generators are better off with stability. Dynegy and MidWest Generation are better off with a stable market. They were also beneficiaries of those auction prices achieved at the reverse New Jersey-style auction, which was so harshly criticized, producing those higher prices. They received those higher prices. As part of the resolution of this matter, they've agreed to make this contribution to the fund."

Durkin: "I would disagree how they were brought to the table and why they were brought to the table. And I'll let the... you know, people will find out in due time. The... one of the... the criticism of this New Jersey auction, which is a reverse auction, is that it was the product of the Illinois Commerce Commission. Correct?"

Scully: "No, I... no, I never said it was the product of the Commerce Commission. I actually think it was the product of a... working groups headed up by the utility companies and generating companies during year 2000... the spring of 2004..."

Durkin: "And it was approved by..."

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Scully: "...through 2000... through 2005 that issued a report in 2000... excuse me, in January of 2005."

Durkin: "Representative..."

Speaker Hannig: "Representative, you... we've got seven more people that would like to speak."

Scully: "It was approved by the Commerce Commission."

Durkin: "Have you been critical of the Commerce Commission and the way they ran the reverse auction?"

Scully: "Yes."

Durkin: "Then why are you giving the Illinois Commerce Commission the ability to still have oversight of this Illinois Power Authority, which yesterday in committee you said that this was an independent... it was either you or the representative from the Attorney General's Office said this is an independent agency that is going to be free from the influences of the ICC, but we are still saying that they have to get approval for any of the... any of their actions still have to be approved by the ICC. Why do we still have the Illinois Commerce Commission involved in this process in the procurement of electricity when this Legislature and a number of people throughout the state were highly critical of the way that they administered it?"

Scully: "The ICC has the approval authority... the final approval authority of a procurement process that is going to be administered by this new agency. In the process of... the original proposals for the Illinois Power Authority would be that that... that procurement process would not be submitted to the ICC for final approval. In the negotiating process it was agreed by the parties at the table that the ICC would

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retain final approval authority. I stand... I support that resolution."

Speaker Hannig: "So, Representative, could I just ask that maybe we could go through the other seven and then somebody else might yield you some more time? So, Representative May, you're recognized for 5 minutes. Representative May, you're up for 5 minutes."

May: "Yes, thank you. I stand in support of this legislation as relief for our electric ratepayers. I, in committee, said 'no' to five hundred million (500,000,000) in relief, but a billion (1,000,000,000) is a sizable sum and we are putting in place a new procurement process. However, I do have a Sponsor for the ques... a question for the Sponsor, here."

Speaker Hannig: "He indicates he'll yield."

May: "I think that sort of one the other hidden... sort of the frosting on the cake is a very strong, renewable portfolio standard for our state, something that many of us who care about the environment have been wanting to do for a long time. So this puts in statute provisions similar to Senate Bill 1184 for a renewable portfolio standard; renewable energy like wind and solar and biomass, that so many of these things that are... that are good for the environment, but they're also good for the agriculture in our state. So many... a group of us went down to visit the wind farm near Bloomington with thousands of acres of wind farms, which is not only, again, good for the environment but good for farmers to rent. So this talks about environmentally preferable energy. And my question for the Sponsor for legislative intent is that on page 7, line 5, it lists as

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renewable energy, trees and tree trimmings. So for legislative intent, you don't intend that we would cut down forests for trees. That isn't the intent of this, is it?"

Scully: "That's correct."

May: "So, no intent to take out whole trees from forests, just that if there are trees that are taken down or trimmings, that they could be used. That is very important. Again, I think that this is a national precedent-setting renewable portfolio standard that also suggesting that the renewable energy must be purchased in our state, which is... if it's possible. So this is further good for developing the renewable energy business in our state. So thank you for answering that question. And, again, for those of us who care about the environment as well as consumer rate relief, this is one part of it, a very, perhaps, not well-known part, that I think that is strong for the environment and is frosting on the cake as the reason to vote for this Bill."

Speaker Hannig: "The Gentleman from McDonough, Representative Myers. Representative Myers, you're next on the list and you have 5 minutes."

Myers: "Thank you, Mr. Speaker. Ladies and Gentlemen, I rise in reluctant support of this Bill. And I say reluctantly because, as the Representative from Skokie so eloquently put it, it's the only thing that we have available. I supported the rate freeze after the first of the year because many of the calls that had come into my office were from individuals who had seen their electric rates go up 100 percent, 200 percent, 300 percent. Many of those individuals were space heat customers and many of those were on fixed income. This

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Bill does provide rate relief and I applaud the committee for finally structuring something. But those customers were all wanting a freeze again, especially the space heat customers on fixed incomes, as well as the business customers, the schools, the municipalities that saw tremendous increases as well. But let's get back to the space heat customers on fixed income. Those individuals are going to see rate relief, albeit minimal, but it's the only thing out there right now. And in the end, after this 4-year program is over, their rates are going to go up to the full amount and we have accomplished nothing, because their income is still going to be fixed, their rates are going to be high. Now, at the same time, we also have high living costs for gasoline and food and other items that these people on fixed income are experiencing. They're not regulated and perhaps neither should the electricity. But the point remains that I think we have, to a certain extent, let those people down, because we were trying to craft a package that would provide substantial rate relief to those particular customers who had been led to believe that going to a space heat on your home would provide substantial efficiencies in your heating bill. We've let them down, but at the same time we have provided some relief that they can put back into their pocket. I hope that this is not the last we see of this issue. While I question the Power Authority, hopefully they will be able to procure power at a lower cost than the reverse auction and subsequently reduce the price for the electricity over the long run. But we have to do something for some of those customers and I think

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that right now this is the only program out there, the only package to provide that relief. And so on that basis, I reluctantly relize... rise in support of this issue."

Speaker Hannig: "Representative Flider, you have 5 minutes."

Flider: "Thank you, Mr. Speaker. To the Bill. I know we've had a lot of political rhetoric and a lot of finger-pointing and all kinds of, you know, political gamesmanship that typically occurs on major issues like this, but I guess the approach I'd like to take is to thank the other side of the aisle for getting us to where we are today. You may recall a year and a half ago there was legislation that I and others cosponsored that would have eliminated the reverse auction, but really couldn't get much attention to that effort. And through the course of the year and even leading up to last January, the utilities were pretty successful in getting many Legislators to vote against a rate freeze and against eliminating the reverse auction, even to the point where they convinced many Legislators on the other side of the aisle to support legislation that would allow them to get the full effect of the rate increases, recover them over a 3-year period, and then eventually charge customers interest on their bill to get that money back. So not only did they get every bit of their rate increase back, but they also had a rate mitigation bonds that they would sell, that the ICC would not even have a say in authorizing, that the utilities would be able to put on their bill. So you talk about bookends, that's kind of what we're talking about. But then the rates really kicked in and I think many of the folks on the other side of the aisle recognized what the

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issues were and the problems were and we were successful in passing rate freeze legislation and... but that was only after we had the fear put into us by what happened with the all-electric rate which, because of this legislation, the agreement is the utilities will go to the ICC and restore that rate to a normal level after rate proceedings. But you may recall the utilities sat up here and offered twenty million dollars (\$20,000,000) in relief, like that was really going to be something, after our Committee of the Whole. And the fact of the matter is that that twenty million dollars (\$20,000,000) was a starting point for something that was going to result in what today we have a billion dollars (\$1,000,000,000). And because of the changes in the law that we are seeing, because of the changes in procurement, we could very well see more than a billion dollars (\$1,000,000,000) in value to customers down the road. We would not have those changes; we would not have a new procurement process were it not for the negotiations. And I have to say that no matter when you were here during the Spring Session, the representatives of the Attorney General, David Ellis, others, anybody who wanted to be part of those negotiations could be in those negotiations. And I was surprised to see during holidays, nights, weekends, many times when people might be having their evening cocktails, they were negotiating, they were working hard coming up with a deal. So here we are with a one billion dollar (\$1,000,000,000) relief package that suddenly isn't enough. And I have to say that we've had many hours of discussion, negotiation, hearings here in the

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General Assembly, and among those hearings we hear criticism of the Illinois power agency but... you know, this Legislature many years ago created an agency called the Illinois Municipal Electric Agency. That agency is charged with buying power for consumers in 41 cities in Illinois. And the executive director of the IMEA came to testify before our committee... one of our committees this year that they were able to buy power on the open market through long-term contracts, through generation, of a variety of means for 20 percent cheaper than the prices that came out of the reverse auction. So the fact of the matter is there is a good model there. I would hasten to add that as part of the procurement process there will be proceedings. There will be open hearings and public comment will be provided. So we do have a start of a new process in Illinois for procuring power at the least cost manner. At the same time, we have true rate relief for consumers, rate relief that they will receive, not just the hope and dream of something down the road, not something that will be held up in the courts for many months possibly due to lawsuits, long before many of us will... will still be here. So I would encourage an 'aye' vote for this legislation. Many people worked very, very hard. They were very diligent and..."

Speaker Hannig: "Your time has expired, Representative Flider. So, Representative Rose, you're recognized for 5 minutes."

Rose: "Thanks. I don't know... I don't even know what to say about this. I... I'm sure the previous speaker thought he was being funny when he suggested people were having cocktails. I actually think the people who drafted this must have been

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having cocktails when they drafted it. The cold hard facts are this, 9.6 billion dollar (\$9,600,000,000) rate increase over 4 years, one billion dollars (\$1,000,000,000) in rate relief. That's eight dollars and sixty cents (\$8.60) to the utility companies out of the customer's pockets, they keep a buck. Wow. Gee whiz. Thanks, guys. You wonder why all these folks are sittin' up here. All the lobbyists up here for the utility companies. That's why. They're getting 8.6 billion dollars (\$8,600,000,000) out of this deal over the next 4 years. Let's look at it though not in a macro aggregate sense. Let's look at it in the little guy's sense. In our subject matter hearing on February 27, a Member of this Body made a number of comments and one of the things he said was he received a power bill from a constituent, that his post-increase power bill was fifty-four dollars and five cents (\$54.05)... or excuse me, his pre-increase power bill was fifty-four dollars and five cents (\$54.05). His post-increase one month, just January, was seven hundred and sixty-two forty-six (\$762.46). A seven hundred and eight dollar (\$708.00) increase in one month. I cite the handout from Ameren, estimated relief. If you average the relief estimated for the four utilities, Ameren/CIPS, Ameren/CIPS Metro, Ameren/CILCO, Ameren/IT, you're just under four hundred bucks (\$400) in a year. This gentleman's bill, which is indicative of all of our districts in downstate Illinois, their all-electric customers went up over seven hundred dollars (\$700) in a single month. A single month times 12. They get four hundred bucks (\$400) back. Okay. Then you... then you look

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at the fact that my constituents... this is a personal story friend of mine, I used to work with her in the State's Attorney's Office, Champaign County secretary, Jim and Marge Carney. Marge is a great lady. She calls me and she says, 'Chapin, we retired and bought a retirement home and last fall, September/October of '06, the developer that built the home marketed it as an all-electric home because of this special rate tier.' Special rate tier. But Jim and Marge are smart, they don't take the developer's word for it, they call the power company. Ameren says, 'Oh yeah, this is a great deal. As soon as you get in the home, get your keys, we'll sign you right up.' Never once do they tell Jim and Marge Carney, 'Oh, but come January 1st, we're pulling the rug out from under you.' Customers all over downstate Illinois with a similar, similar story to tell, promised one thing, had the rug pulled out from under 'em. Fact, if I may quote from the Attorney General's press release, when she filed her deceptive practices action, they... Ameren continued offers of an all-electric discount program to consumers even after the companies knew of and planned for the program's elimination. But that's now dismissed. That deceptive practices action has been dismissed. What do those people do? What did Jim and Carney... what do the people do in a couple of years when this program's over? Oh, wait a minute. I think I heard from Representative Leitch earlier that... that they can actually go back and file for rate increase anytime. And in fact, it sounds like is that what I've heard is they're planning on going back and

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filing for rate increase. I don't know what they do. I don't know what they do, Speaker."

Speaker Hannig: "Representative Bradley."

Bradley, J.: "Will the Sponsor yield?"

Speaker Hannig: "He indicates he'll yield."

Bradley, J.: "Representative Scully, Repre... can we have some order in here, please?"

Scully: "You got it."

Bradley, J.: "Representative Scully, is AARP for this Bill?"

Scully: "Yes."

Bradley, J.: "Representative Scully, is the Citizens Utility Board for this Bill?"

Scully: "Yes."

Bradley, J.: "Representative Scully, are DSTs or transmissions, are they regulated currently or will be regulated under this Bill?"

Scully: "Yes."

Bradley, J.: "Representative Scully, are averages with regards to what refund checks are going to be, is that misleading?"

Scully: "Grossly misleading."

Bradley, J.: "In other words, the more money that somebody paid the more money they would get back in the form of rebates. Is that correct?"

Scully: "Yes, Representative. And a lot of the examples that people have been using here on the floor are examples of the rebate checks that might be received by people who didn't have substantial increases in comparing those rebate checks to the people who had huge increases. As we stated at the

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outset, the amount of the rebate is going to be proportional to the amount of the increases. So..."

Bradley, J.: "Are... are all... I'm sorry, are all-electric customers going to get more money under this in form of rebates?"

Scully: "The all-electric customers are going to get much more out of these rebates in several different manners. The first and most basic form is that the all-electric customers sustained the largest increases. They're also relatively the highest users. The people who are highest users and the people who had the highest increase are going to be the people receiving the highest dollar amounts of rebates. All customers statewide will be receiving rebates that are approximately equal to 45 percent of the increase."

Bradley, J.: "Let me ask..."

Scully: "We're functionally getting the increase in half."

Bradley, J.: "Representative Scully, the value of a rate freeze for between 6 months and a year, a billion dollars (\$1,000,000,000) would provide a whole rate freeze for somewhere between 6 months and a year?"

Scully: "I would estimate that it would provide... a billion dollars (\$1,000,000,000) of relief would have provided a rate freeze for approximately... approximately a year and a half."

Bradley, J.: "Representative Scully, as time goes on, the value of the increase for the utility companies goes down because whenever..."

Scully: "Excuse me. Excuse me, let me rephrase that. No, I was mistaken. The... the... a one billion dollar (\$1,000,000,000)

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relief package would fund a rate freeze for approximately 4 months."

Bradley, J.: "Representative Scully, as a result of the negotiations that have taken place and as a result of these changes, there were several lawsuits that were filed by the Attorney General's Office. Those were civil suits?"

Scully: "Yes, those were civil suits brought by the Attorney General's Office."

Bradley, J.: "And if she would have prevailed in those suits, what would have been the remedy asked for by the Attorney General on behalf of the people in the State of Illinois?"

Scully: "The remedies that could have been..."

Bradley, J.: "Money?"

Scully: "They're dollar... dollars..."

Bradley, J.: "Money?"

Scully: "...and injunctive relief."

Bradley, J.: "Money?"

Scully: "Dollars. Dollars. Money."

Bradley, J.: "And what is the value of the settlement of those suits through this? Money?"

Scully: "Basically, a billion dollars (\$1,000,000,000)."

Bradley, J.: "Is there anything that would prevent a private citizen from going out and instituting their own lawsuit at this time for fraud..."

Scully: "No, all the citizens of the State of Illinois who think that they have been defrauded have the right to pursue a private civil lawsuit, either on their own behalf or as a class action."

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Bradley, J.: "Does the creation of the Illinois Power Agency give incentives to build Illinois usage coal... coal-fire power plants?"

Scully: "Yes."

Bradley, J.: "Does the creation of the Illinois Power Authority and Illinois Power Agency break the collusion and monopoly that was taking place between the utility companies, the generation companies, and their parents?"

Scully: "Yes, and it breaks the..."

Bradley, J.: "Does it get rid of the reverse auction?"

Scully: "Yes."

Bradley, J.: "Is the reverse auction a thing of the past?"

Scully: "It is now a thing of the past."

Bradley, J.: "Does this electric rate agreement reinstate the all-electric discount beginning January 1st?"

Scully: "Yes. Through the..."

Bradley, J.: "So, if I'm..."

Scully: "...this legislation and through the ICC."

Bradley, J.: "So if I'm to understand this, if you vote against this Bill, it's a vote against the AARP, it's a vote against the Citizens Utility Board, it's a vote against a billion dollars (\$1,000,000,000). It's a vote against using Illinois coal and building Illinois coal-fired power plants, it's a vote against reinstating the all-electric discount, it's a vote against breaking the monopolies, it's a vote against fixing the system so there's not collusion, and it's a vote against the people of the State of Illinois."

Speaker Hannig: "Representative Cultra."

Cultra: "Will the Sponsor yield?"

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Speaker Hannig: "He indicates he'll yield."

Cultra: "Representative Scully, I'd like to commend you on the many hours that you spent away from your family to work on this issue."

Scully: "Thank you."

Cultra: "The question I have is, people with all-electric homes, what can they expect in '08? What kind of rate relief?"

Scully: "Representative, they will be receiving the same rate relief credit that all the other customers are receiving. That is, in the first... in 2007... let me step up from there. In 2007, they will be receiving a 40 percent decrease in their... in the price that they are paying for electricity, a forty (40)... excuse me, a 40 percent decrease from the amount they were increased in January. They'll also be... will be receiving specific relief... the... all... they'll be receiving a credit for high winter usage, their rate relief... excuse me, the all-electric discount is presently being reinstated through the ICC. At some point in time in the future, the all-electric discount may be discontinued. We can't stop that forever. We cannot regulate beyond the term of our... terms of office. But the major impact that they got hit with in January of this year is being reversed."

Cultra: "So what you're saying is approximately all-electric home users could expect about a 45 percent discount in the increase?"

Scully: "It... actually, for all-electric customers, it's going to be more in the range of 70... a 70 percent drop. Most of that increase is going to be removed."

Cultra: "To the Bill."

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Scully: "Thank you."

Cultra: "I represent all or parts of six counties. Probably 90 percent of my customers are in the Ameren territory and by far the most complaints that I've gotten are all-electric home users. This Bill would address their concerns, at least a 50 percent discount in the increase that they had experienced. I think this is reasonable. I think it's fair. I do have some concerns about creating the Illinois Power Authority, but I rise in support of this Bill. Thank you."

Speaker Hannig: "Representative Coladipietro."

Coladipietro: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Coladipietro: "Representative Scully, is there a Letter of Understanding that is a part of this legislation?"

Scully: "Yes."

Coladipietro: "What is that Letter of Understanding and who are the signatories to that letter?"

Scully: "The signatories are the... excuse me, one second. Let me see if I can retrieve it. Representative, I have a copy of the Letter of Understanding in my hand right now. The signatories will be John Rowe, as Chairman of Commonwea... of Exelon, Frank Clark, as Chairman CEO of Commonwealth Edison, Todd Raba President of Mid America Gen (MidAmerican Energy Company), Gary Rainwater, the Chairman of Ameren Corporations on behalf of its subsidiaries, Scott Cisel, the Chairman of the Illinois Utilities, Ameren Utilities. Excuse me, one second. Representative, the... those are the signatories. The letter is addressed to Speaker Madigan,

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Minority Leader Cross, Attorney General Madigan, President of the Senate, Emil Jones, and Minority.. Minority Leader Watson. So, these.. I described who the signatories are, those are the people who have drafted this letter and signed this letter to the four Legislative Leaders and the Attorney General."

Coladipietro: "Representative, what I'm trying.. I'm trying to understand the contents of the Letter of Understanding. What.. what provisions are contained in the letter?"

Scully: "The.. the relief package that we have described as I presented the Amend.. House Amendment #5. That rate relief package is contained within the Amend.. within the Letter of Intent. It is a contractual statement by the utility companies of the relief they provide. One of the provisions of the agreement is that these are their commitments, provided that the General Assembly does not pass any rate freeze legislation. Now, you and I as Members of the General.. this General Assembly cannot tie the hands contractually of a future General Assembly. We can pass legislation, but the future General Assemblies can reverse our legislation. If a future General Assembly chose to pass rate freeze legislation, the utility companies would no longer be bound by their commitments to make these payments into the relief program."

Coladipietro: "Well, then what if.. what I'm trying to understand here is what.. why a Letter of Understanding and is the Letter of Understanding legally enforceable? Why isn't the letter contained in the legislation and why aren't those

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provisions in the legislation? Why are they in a Letter of Understanding?"

Scully: "Representative, the relief package goes beyond our term of office, and that was the intent of the parties. So the question becomes, how do we create an enforceable agreement beyond the term of office? We cannot bind future General Assemblies to this agreement. The vehicle that was chosen was functionally a contract that the utility companies agreed to make these payments. They agreed to this relief package. If a future General... now, excuse me. The Attorney General has the authority to enforce this agreement. If a future General Assembly were to pass rate freeze legislation, these utility companies would then be relieved of any obligations they have under this Letter of Intent. So, the use of the Letter of Intent was primarily to address the issue that this agreement was intended to extend it beyond our terms of office."

Coladipietro: "Who drafted the Letter of Understanding?"

Scully: "It was drafted by all the parties at the table. It was... as with many Letters of Intent, counselor, it is usually a negotiated document. And this was."

Coladipietro: "But who was... who was the actual entity that drafted the language, the specific language of the letter?"

Scully: "It was a..."

Speaker Hannig: "Representative, your time has expired. Could you bring your remarks to a close, please?"

Coladipietro: "Can we just finish with this question? Thank..."

Speaker Hannig: "So... Representative..."

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Scully: "The drafting was a collective effort. If your question is whose word processor was it on, I'll get you an answer to that question. I don't know that."

Coladipietro: "So this was a collaboration between all the parties..."

Scully: "Yes."

Coladipietro: "...in terms of the drafting of the legislation."

Scully: "Right."

Coladipietro: "Okay."

Scully: "And certainly the Senate and the House was represented, the Attorney General was represented, and the signatories certainly were represented at the table when it was being drafted."

Coladipietro: "Okay. Thank you very much, Mr. Speaker."

Speaker Hannig: "Representative Kosel, you're recognized for 5 minutes."

Kosel: "I give my 5 minutes to Representative Durkin."

Speaker Hannig: "Representative Durkin, you have the balance of the 5 minutes."

Durkin: "All right. This going to be... I'll be very brief. George, this is a 'yes' or 'no' answer. Two questions. Will this legislation get to the truth of whether Ameren perpetrated fraud upon all-electric homes knowing that it would discontinue the program at the time when the... the auction would go into effect? Yes or no?"

Scully: "Could you restate your question?"

Durkin: "Sure. Will this legislation get to the truth on the question of whether or not Ameren perpetrated fraud on consumers by marketing the all-electric home programs

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knowing that it would discontinue the program once the auction rates went into effect?"

Scully: "No. And I would also..."

Durkin: "Thank you."

Scully: "...add that no legislation is capable of doing that."

Durkin: "All right. Now, here's the next question. Will this legislation get to the truth on whether electric suppliers engaged in price manipulation in the September 2006 power auction? Yes or no?"

Scully: "No."

Durkin: "How is the public being served through the dismissal of all these lawsuits?"

Scully: "The public is receiving a one billion dollar (\$1,000,000,000) relief package that is being delivered in exchange for stability. As with any settlement of any civil lawsuit, the party paying the money is only going to pay the money in exchange for a dismissal of those actions. Now, the Attorney General has agreed to dismiss the actions at that office. Local prosecutors are free to pursue criminal prosecution if they see fit. Private individuals, private citizens are free to pursue a legal action under the Illinois Consumer Fraud and Deceptive Business Practice Act. A class action attorney is free to work with private litigants to pursue those issues. But as part... the goal of those cases was... the relief being sought was monetary and injunctive. We are accomplishing those goals with this legislation."

Durkin: "Don't you consider allegations of manipulation, fraud upon the public by public utilities... those issues go beyond

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any type of financial settlement. Don't you believe that it's in the best interest of the people of this state to have those questions resolved through some type of evidentiary hearing or at least through some limited type of discovery, which I assume has not happened in the this case, correct?"

Scully: "You're asking for my opinion?"

Durkin: "Yes."

Scully: "My opinion is that this settlement is a superior resolution."

Durkin: "Well, I would disagree with that respect that the... when we file lawsuits we have obligations as attorneys not to file meritorious lawsuits, ones that are not frivolous. So, I assume that these lawsuits were filed in good faith and they are very..."

Scully: "I... I..."

Durkin: "...strong lawsuits..."

Scully: "I share your opinion."

Durkin: "...that had very strong allegations of fraud upon the people of the State of Illinois. And I think that these... these lawsuits, in particular the two that I mentioned, one at FERC and one in Jackson County, should continue, that they should go... have some type of discovery so we can have these serious questions answered. And I think the Attorney General is the appropriate person to do it, they filed the lawsuit, and disappointed that we're not... they're not following through with that."

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Speaker Hannig: "Representative Meyer. Representative Jim Meyer. So, he doesn't wish to speak. Representative... Representative Verschoore."

Verschoore: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "Indicates he'll yield."

Verschoore: "Yeah. Representative Scully, according to my analysis, this Bill permits Ameren to consolidate under a common parent. Is that correct?"

Scully: "It creates that possibility, yes."

Verschoore: "Okay. Also, Mr. Scully, if Ameren is able to merge or consolidate then if the legislation's intent that the consolidation cannot impair reliability or safety of the service?"

Scully: "That's... yes."

Verschoore: "And then the most important question I have. It also would give the General Assembly intent that in considering Ameren consolidation or merger, that the commission investigates and ensures that Ameren has the necessary amount of employees to avoid... to supply reliable and safety service. Is that correct?"

Scully: "Yes, that's correct."

Verschoore: "Thank you very much."

Speaker Hannig: "Representative Scully to close."

Scully: "Thank you, Ladies and Gentlemen, for your... for the spirited debate. This is an issue that has been before the General Assembly certainly for the past eight months. It has been an issue that I have been studying for two and half years. This is a good resolution of the problem. People will second guess this resolution. Some people will say

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that it doesn't have enough money. Some people will say it's too harsh on the utility companies. Some people will say there's too much money coming from the Commonwealth Edison territory and going to downstate Illinois. Yet, the downstate customers will say that there's not enough money. This is a good resolution of the problem. I ask for your support. Thank you."

Speaker Hannig: "The question is, 'Shall this Bill pass?' All in favor vote 'aye'; opposed 'nay'. The voting is open. This requires 71 votes. Have all voted who wish? Have all voted who wish? Have all voted who wish? Representative Patterson, do you wish to be recorded? Mr. Clerk, take the record. On this question, there are 80 voting 'yes' and 33 voting 'no'. And this Bill, having received a Three-fifths Constitutional Majority, is hereby declared passed."

Speaker Hannig: "On page 7 of the Calendar, under the Order of Senate Bills-Third Reading, is Senate Bill 849. Representative Younge, this is your Bill. And Mr. Clerk, read the Bill."

Clerk Mahoney: "Senate Bill 849, a Bill for an Act concerning education. Third Reading of this Senate Bill."

Speaker Hannig: "Representative Younge."

Younge: "Thank you, Mr. Speaker. Senate Bill 849 is an initiative of the O'Fallon Township High School District 203. It allows the district to proceed with their voter approved bond issue. The purpose of this Bill is to correct an error that occurred in reference to the publication of the bond referendum. It was published over a period of

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seven days rather than ten as required by statute. And I move for the passage of the Bill."

Speaker Hannig: "The Lady has moved for the passage of Senate Bill 849. And on that question, the Gentleman from Bond, Representative Stephens."

Stephens: "Thank you, Mr. Speaker. I just wanted to get some order in the Body. This is an extremely important issue and in St. Clair County, O'Fallon Township High School District where they... the voters overwhelmingly, with 72 percent of the vote, endorsed a referendum to build a new high school because of the failure of one man, the clerk of the county failed to give proper notice, gave the notice three days late in the newspaper. This Bill would do what we've done many times. The people of the district were notified; it was a timely manner, it's seven days instead of ten days. This is something that the people of O'Fallon, Representative Holbrook, and I and Representative Younge all agree it's something that we want to get done. I'd appreciate Members on our side of the aisle voting 'yes'."

Speaker Hannig: "Is there any further discussion? Representative Sullivan."

Sullivan: "Thank you, Mr. Speaker. I rise in strong support of this Bill. A lot of times people will ask to help someone out in their district. Well, this is a classic example and I want to remind some of the people on my side of the aisle that this is a referendum. These are people that 71 percent of the group asked to tax themselves to help their communities. Seventy-one percent of the voters authorized this expenditure. On our side of the aisle, we believe in

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referendums. Let them include the referendum; let's pass this Bill. I urge an 'aye' vote."

Speaker Hannig: "Representative Washington."

Washington: "Mr. Speaker, I rise in strong opposition to this Bill. I'm sure I sound like Mr. Stephens and I'm just teasing. Thank you."

Speaker Hannig: "Representative Younge to close."

Younge: "I ask for your support in reference to this Bill."

Speaker Hannig: "The question is, 'Shall this Bill pass?' All in favor vote 'aye'; opposed 'nay'. The voting is open. Mr. Clerk, the voting is open. This requires 71 votes. Have all voted who wish? Have all voted who wish? Have all voted who wish? Representative Beiser. Saviano. Sommer. Do you wish to be recorded? Last call. Mr. Clerk, take the record. On this question, there are 101 voting 'yes' and 12 voting 'no'. And this Bill, having received a Three-fifths Constitutional Majority, is hereby declared passed. On page 14 of the Calendar, under the Order of Concurrence, is House Joint Resolution 24. Representative Pihos."

Pihos: "Thank you, Mr. Speaker and Ladies and Gentlemen of the House. This Resolution forms a special education funding task force and it has come to us for concurrence to add nonpublic special education facilities to the list of those groups that must be approved by the Legislature. I'd be happy to ask for any questions and I ask for your 'aye' vote."

Speaker Hannig: "The Lady moves for the adoption of the Joint Resolution. The Lady moves that the House concur in the Senate Amendment to the Joint Resolution. Is there any

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discussion? Then the question is, 'Shall the House concur in the Senate Amendment and shall House Joint Resolution be adopted?' All in favor vote 'aye'; opposed 'nay'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Representative Tracy, Patterson, Lindner, Kosel, do you wish to be recorded? Mr. Clerk, take the record. On this question, there are 113 voting 'yes' and 0 voting 'no'. And the Reso... and the House concurs in the Senate Resolution (sic-Amendment) and the Resolution is adopted. Mr. Clerk, would you read the Agreed Resolutions."

Clerk Mahoney: "On the Order of Agreed Resolutions is House Resolution 625, offered by Representative Durkin."

Speaker Hannig: "Representative Durkin moves for the adoption of the Agreed Resolution. All in favor say 'aye'; opposed 'nay'. The 'ayes' have it. And the Resolution is adopted. Representative Eddy, for what reason do you rise?"

Eddy: "An inquiry of the Chair."

Speaker Hannig: "State your inquiry."

Eddy: "Mr. Chairman, several Members on this side have asked tomorrow morning whether it's advisable to check out of hotel rooms, what the schedule might be after today. Is there any update at all on what they might expect tomorrow as far as the schedule's concerned?"

Speaker Hannig: "Representative, I wish I could answer that question, but we know that we'll be here tomorrow at 9 a.m., but I don't... I think the... the schedule for the weekend is uncertain at this point."

Eddy: "Okay."

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Speaker Hannig: "And we'll advise you as soon as we... we have more certainty to the situation."

Eddy: "They're similar to last week's answer then that hopefully later today or by morning, if they're need to check out of hotel rooms that there be some advisement, similar to last week's answer regarding this issue?"

Speaker Hannig: "I think we... I think we understand the situation with check-out times, but we're uncertain as to whether we'll be here Saturday or Sunday, at this moment. And so, I simply have no answer."

Eddy: "I'm just hoping, I guess..."

Speaker Hannig: "Yeah."

Eddy: "...that this week there'd been some additional enlightenment to the weekend that may be last... maybe we've gotten used to this and we're doing it quicker. But one other point of personal privilege, if I could, for just a second."

Speaker Hannig: "State your point."

Eddy: "I... I know... I know many of the Members are beginning to receive questions from school districts around the state regarding whether or not a budget is going to be crafted and whether or not they're going to be able to plan to have state aid payments which we know have to be out in some way by the first week of August, the Comptroller said August 8. And I was wondering, Mr. Chair, have you... have you heard anything regarding... I mean, what... what kind of things are you advising Members or... regarding the potential of that happening?"

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Speaker Hannig: "Well, Representative, I guess the two options that are available to the Body and to the chamber would be that: 1) we could pass a 12-month budget that would have the numbers or we could pass a additional 1-month budget. And I suppose..."

Eddy: "Let me ask you another question. Do you see... I mean, have there been Leader meetings the last few days regarding a resolution to this that you're aware of?"

Speaker Hannig: "I am not aware of any, Representative."

Eddy: "Budgeteer meetings. Have folks been sitting down and working on a resolution to the gridlock? Are you aware of any?"

Speaker Hannig: "There certainly we're not none today, Representative."

Eddy: "When do you think the last time people, either the Leaders or the budgeteers, sat down as a group and began to work on a resolution to this issue? Days?"

Speaker Hannig: "I don't... I'm..."

Eddy: "Several days?"

Speaker Hannig: "I'm not certain, Representative."

Eddy: "Has it happened this week? We're... This is Thursday. Are you aware of it even happening this week while we're here? Have you seen the Governor around during this time at all? I know he was... he was flying around on Monday with a... or is in Chicago doin' a Bill on no smoking. Have you seen him around?"

Speaker Hannig: "I have personally not, but I've been advised that he's in Springfield and in the Capitol."

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Eddy: "Well, here... here... here's, I guess, the bottom line. The children of the State of Illinois expect more. They expect more from the elected Leaders and from the Governor of this state than to have to worry about whether or not we're going to have state aid payments to schools. And I gotta tell ya, if something happens in a week, if there's a problem with this, there's one person, one person, responsible for the fact that we'll be in a crisis situation and that's the Governor of this state who has failed in his leadership role to bring this issue to a resolution. I don't care what we read, what people say, the bottom line is as we head toward that deadline there is one person, one person, responsible for that and that's the Governor of the State of Illinois. And I would advise that he get busy to do the work of the people and get it done, at least for the children of the State of Illinois."

Speaker Hannig: "Are there any announcements? Then allowing perfunctory time for the Clerk, Representative Currie moves that the House adjourn until tomorrow, Friday, July 27, at the hour of 9 a.m. All in favor say 'aye'; opposed 'nay'. The Resol... the Motion is adopted. And the House stands adjourned."

Clerk Mahoney: "House Perfunctory Session will come to order. Committee Reports. Representative John Bradley, Chairperson from the Committee on Judiciary I-Civil Law, to which the following measure/s was/were referred, action taken on July 26, 2007, reported the same back with the following recommendation/s: 'do pass Short Debate' is Senate Bill 1035. Referred to the House Committee on Rules is House

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Resolution 626, offered by Representative Osterman.
Introduction and reading of House Bills-First Reading.
House Bill 4125, offered by Representative Verschoore, a
Bill for an Act concerning local government. First Reading
of this House Bill. There being no further business, the
House Perfunctory Session will stand adjourned."