

ADMINISTRATIVE WATCH

ADDRESSING ENVIRONMENTAL, ENERGY AND NATURAL RESOURCE ISSUES



“Pennsylvania has the opportunity to become a national leader in energy independence.”

- Jim Cawley, Lieutenant Governor of Pennsylvania, July 22, 2011

After four months of work—including numerous public hearings, work group meetings, and dozens of presentations—the Governor’s Marcellus Shale Advisory Commission unanimously adopted a Report that provides sweeping recommendations for policy, legislative, and regulatory reforms to address development of the Marcellus Shale, as well as other unconventional natural gas deposits in Pennsylvania.

While the Commission has been criticized for being overly representative of industry (9 of 30 members were appointed from the oil and gas industry and trade associations, but public interest groups and governmental leaders made up the balance), the final recommendations were largely unanimous and would benefit the environment and the citizens of this Commonwealth through tough measures at substantial cost to industry.

The Department of Environmental Protection was the lead agency to support the work of the commission and the majority of recommendations are related to environmental issues, but there are important recommendations in other areas, such as infrastructure needs, economic and workforce development, education, emergency response training, and land use planning.

For example, after explaining the key needs and impacts of Marcellus operations in local communities, the Commission recommended that operators, state and local officials should:

- Impose a fee to mitigate and compensate for local impacts, including increased demands on public safety personnel and agencies, conservation agencies, water and sewer infrastructure, and land use planning agencies.
- Improve emergency management and emergency response at the local level by continuing and increasing training and planning, standardizing emergency plans, and acquiring emergency response equipment.
- Improve the ability to track, calculate and recover funds for natural gas operator impacts on roadways.
- Implement statutory changes to ensure fair and consistent municipal regulation which does not unreasonably impede the development of natural gas.

As a whole, the structure of the Report and the substantial space devoted to the geologic background of the Marcellus Shale natural gas field convey the intent of the Commission to base its recommendations on science and facts. The final Report provides a balanced and sophisticated approach to address complex questions and recognizes that many answers are yet to be determined as the recommendations evolve into realities.

Our multi-disciplinary National Resources Group will summarize the Report’s recommendations in the individual areas of environmental, land use, employment, business and litigation in coming issues of the Administrative Watch. In the meantime, if you have any questions regarding the Report and or any other oil and gas issues, please contact Joseph K. Reinhart at (412) 394-5452 or jreinhart@babstcalland.com or Jean M. Mosites at (412) 394-6468 or jmosites@babstcalland.com.

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