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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
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ALLEGHENY COUNTY
DEMOCRATIC DELEGATION

Jim Burn, Chairman
Pennsylvania Democratic Party
300 N. 2nd St., 8th Floor
Harrisburg, PA 17101

July 15, 2013

Dear Chairman Burn:

We as Democrats and Members of the Pennsylvania General Assembly write to express our concerns regarding the decision by the Pennsylvania Democratic State Committee on June 13, 2013, to pass by a margin of 115 to 81 votes a resolution in support of a moratorium on the practice of hydraulic fracturing in Pennsylvania. This position adopted by the Democratic State Committee on behalf of Pennsylvania Democratic Party is short-sighted and ignores the many positive impacts Pennsylvania is experiencing due to the growth of the natural gas industry in this state. The resolution disregards the recent advances in best practices by the industry and the modernized statutory and regulatory framework now in place to ensure the safe, responsible development of this invaluable natural resource. To implement a moratorium on hydraulic fracturing at this time would create immense burdens and significant adverse impacts on the Commonwealth and the citizens of Pennsylvania with no discernible gain.

The unlocking of shale gas reserves through the process of hydraulic fracturing has helped move our country further toward energy independence. In 2008, the United States was dependent upon foreign energy production to provide in excess of 57 percent of our domestic oil supply. Today, that amount has fallen to 42 percent and dropping due to the energy being produced in the Marcellus, Utica and other liquids rich shale formations across the country. We now have a clear vision on how we manage the grip that foreign energy producing countries have had upon the United States for decades.

Pennsylvania has an amazing opportunity to be a leader in domestic energy production due to the technological advances made in the unconventional gas well drilling process. The Marcellus Shale was pioneered in southwestern Pennsylvania nearly a decade ago, and together with the Utica Shale formation can provide a century worth of clean-burning natural gas. The technologies used to unlock this resource are safe and proven. The process of hydraulic fracturing has existed for 60 years and been routinely and safely utilized in various shale formations throughout the country for almost 30 years.

State and federal agencies have studied the natural gas industry and the process of hydraulic fracturing for years. Time after time, study after study, and expert after expert repeatedly indicate that natural gas drilling is a well-regulated industry with minimal impact—when done right. The latter is the role of policymakers and regulators, which is why Pennsylvania has passed comprehensive legislation creating among the most stringent of regulatory frameworks in the country for gas drilling. With adequate enforcement and proper oversight by state and federal agencies, the process of hydraulic fracturing poses negligible risk to individuals or the

environment while providing a safe, clean-burning fuel source for homes, industries, vehicles, power generation and immeasurable other beneficial uses.

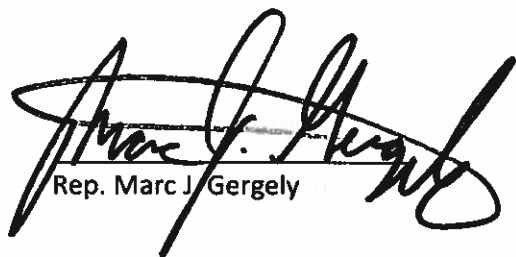
In addition to the environmental benefits from decreased carbon emissions associated with increased natural gas usage, the economic benefits to the state are undeniable. Even President Barack Obama praised the benefits of responsible natural gas development when he said, "The bottom line is natural gas is creating jobs." According to a recent economic analysis, the natural gas industry invested more than \$12 billion in Pennsylvania in 2011, while supporting more than 200,000 good-paying jobs. President Obama also recognized that the benefits of abundant natural gas flow to working families by "lowering many families' heat and power bills." In fact, energy customers in Pennsylvania are saving hundreds of millions of dollars on their utility bills each year thanks to natural gas.

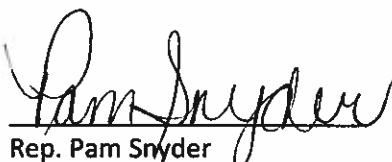
Notwithstanding the already robust economic activity created by the natural gas industry in Pennsylvania, the overall economic impact will continue to grow as the downstream benefits of natural gas production are only now beginning to be realized in every corner of the Commonwealth. The gas industry has bolstered an existing manufacturing base in decline for the past three decades, and we are finally attracting new manufacturing businesses and the family-sustaining jobs that come with them. From the gas processing complex in Washington County to the potential for a cracker facility in Beaver County and the revitalization of the refineries in Delaware County to the increased steel production in the Mon Valley, every part of the state is seeing the benefits of the natural gas industry in Pennsylvania.

While the benefit to the overall state economy can be seen in the jobs created by the industry, natural gas production has also bolstered state and local government finances. The natural gas industry has generated more than \$1.8 billion in tax revenue and invested more than \$500 million in rebuilding roads and bridges since 2006, in addition to \$406 million in impact fees paid by gas drillers since last year. Landowners, including the Commonwealth, have received billions of additional dollars in upfront lease bonus payments and those numbers could be eclipsed by the royalties generated in future years. None of this vast economic gain would have been possible with a moratorium on hydraulic fracturing.


When these economic and environmental benefits are considered, we believe that a moratorium on hydraulic fracturing is not in the best interest of the Commonwealth or the citizens of Pennsylvania. These are some of the many reasons why we are disappointed in the resolution adopted by the Pennsylvania Democratic State Committee on June 13, 2013, to support a moratorium on hydraulic fracturing in Pennsylvania, and we ask that the Pennsylvania Democratic Party re-examine this position to develop a policy that is in line with the overall environmental impact and vital economic interest of the Commonwealth of Pennsylvania and its citizens.

Sincerely,

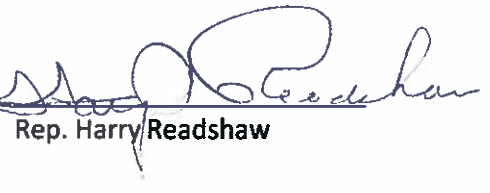

Rep. Marc J. Gergely



Rep. Pam Snyder

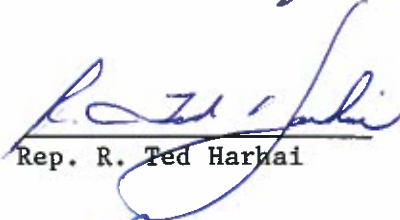

Rep. Jaret Gibbons

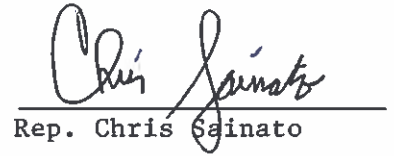

Rep. John T. Galloway



Rep. William C. Korts

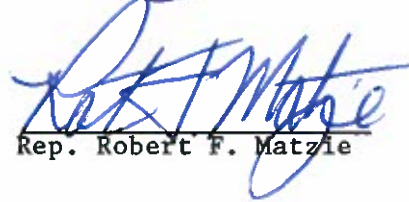

Rep. Harry Readshaw


Rep. Marty Flynn


Rep. R. Ted Harhai


Rep. Chris Sainato


Rep. Neal P. Goodman


Rep. Robert F. Matzie


Rep. Frank Burns

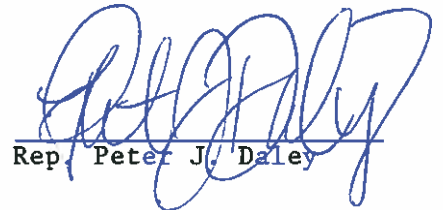

Rep. Margo L. Davidson


Rep. Deberah Kula


Rep. Frank Dermody


Rep. P. Michael Sturla


Rep. Ryan A. Bizzarro


Rep. Peter J. Daley
