

# Remarks

**Don Welsh**  
President

**Pennsylvania Environmental Council**

**Marcellus Shale Report Press Conference**

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GOOD MORNING.

MY NAME IS DON WELSH, AND I'M THE PRESIDENT OF THE PENNSYLVANIA ENVIRONMENTAL COUNCIL.

I'D LIKE TO INTRODUCE A FEW OF THE SENIOR EXECUTIVES OF OUR FROM OUR PITTSBURGH OFFICE WHO ARE HERE TODAY – DAVITT WOODWELL, JOHN WALLISER AND JACK UBINGER.

I'D LIKE TO MAKE A FEW REMARKS AND WILL THEN TURN THINGS OVER TO JOHN WALLISER WHO WILL DISCUSS THE SPECIFICS OF OUR REPORT IN MORE DETAIL.

**[PAUSE]**

ITS NOT AN EXAGGERATION TO SUGGEST THAT THE LURE OF THE MARCELLUS SHALE HAS SET OFF A "PENNSYLVANIA GAS RUSH," ANALOGOUS TO THE CALIFORNIA GOLD RUSH, THE TEXAS OIL BOOM AND THE DISCOVERY OF OIL ON ALASKA'S NORTH SLOPE.

THE MARCELLUS SHALE IS ONE OF THE LARGEST UNCONVENTIONAL ON-SHORE GAS DEPOSITS IN THE WORLD, AND

THE GAS INDUSTRY HAS DESCENDED ON OUR STATE IN GREAT NUMBERS. AND WE'RE JUST GETTING STARTED.

WITH SOMEWHERE BETWEEN 250 AND 500 TRILLION CUBIC FEET OF GAS DEEP BENEATH OUR FEET, THE MARCELLUS SHALE REPRESENTS A NATURAL GAS SUPPLY THAT COULD MEET AMERICA'S ENERGY NEEDS FOR THE NEXT 50-80 YEARS.

THE PROMISE OF THIS NEW INDUSTRY COMES AT A CRITICAL TIME IN OUR HISTORY...

...A TIME WHEN BRIDGE FUELS TO THE FUTURE ARE DESPERATELY NEEDED TO HELP REDUCE OUR DEPENDENCE ON FOREIGN SOURCES OF OIL...

...WHEN ECONOMIC RECESSION HAS CREATED A STATE BUDGET IN NEED OF NEW SOURCES OF REVENUE...

...AND WHEN NEW JOB CREATION IS PRECISELY WHAT SO MANY OF PENNSYLVANIA'S CITIES AND TOWN NEED, AS OUR STATE'S UNEMPLOYMENT RATE REMAINS AT OVER NINE PERCENT.

AT THE SAME TIME, YOU NEED NOT LOOK VERY FAR IN THIS STATE TO SEE THAT WE'VE BEEN DOWN A SIMILAR PATH SEVERAL TIMES BEFORE.

THROUGHOUT ITS HISTORY, PENNSYLVANIA HAS PAID A VERY HEAVY PRICE FOR THE DEVELOPMENT OF TIMBER, COAL AND OTHER EXTRACTED RESOURCES. THAT PRICE HAS EVEN YET TO BE FULLY PAID AND IS EVIDENCED BY FIVE THOUSAND MILES OF POLLUTED WATERWAYS, ABANDONED MINES AND OIL AND GAS

WELLS, DECAYING INFRASTRUCTURE, AND ECONOMIC DEVASTATION CAUSED BY POOR PLANNING AND A SHORT-SIGHTED THIRST FOR GROWTH DECADES AGO.

AND AS THE SAYING GOES, THOSE WHO FAIL TO HEED THE MISTAKES OF THE PAST ARE DESTINED TO REPEAT THEM.

THAT'S WHY WE HAVE BEEN WORKING HARD TO **LEARN** FROM THE MISTAKES OF THE PAST, **APPLY** THEM TO THE DEVELOPMENT OF THE MARCELLUS SHALE, AND MAKE SURE THAT WE DO EVERYTHING POSSIBLE TO CREATE A SUSTAINABLE, THRIVING, AND SUCCESSFUL PENNSYLVANIA MARCELLUS SHALE ECONOMY THAT DOES NOT LEAVE AN ENVIRONMENTAL BURDEN TO FUTURE GENERATIONS.

WE HAVE SOUGHT TO ACCOMPLISH THIS THROUGH DIALOGUE, UNDERSTANDING, AND CONSENSUS.

IN MAY, THE PENNSYLVANIA ENVIRONMENTAL COUNCIL, ALONG WITH DUQUESNE UNIVERSITY, CO-SPONSORED A CONFERENCE IN PITTSBURGH TO EXPLORE THE RANGE OF ISSUES ASSOCIATED WITH THE SAFE AND EFFECTIVE DEVELOPMENT OF THIS "ONCE-IN-A-GENERATION" RESOURCE.

WE BROUGHT TOGETHER DECISION-MAKERS AND THOUGHT-LEADERS FROM THE INDUSTRY, STATE GOVERNMENT – BOTH HERE IN PENNSYLVANIA AS WELL AS FROM OTHER PARTS OF THE COUNTRY, MUNICIPALITIES, PRIVATE PROPERTY OWNERS, ACADEMIA, AND OTHERS...TO SIT IN A ROOM TOGETHER AND TALK

OPENLY ABOUT THE ISSUES WE ALL FACE AND THE CONCERNS WE ALL SHARE.

THOSE OF US AT PEC DID VERY LITTLE TALKING. INSTEAD, WE LISTENED. WE TOOK COPIOUS NOTES. AFTER THE CONFERENCE, WE REFLECTED ON ALL THAT WE HEARD.

WE COMPILED OUR CONCLUSIONS INTO A REPORT THAT SUMMARIZES BOTH WHAT WE HEARD IN MAY WITH OUR OWN BEST THINKING. THE REPORT WE'RE RELEASING TODAY INCLUDES A LIST OF RECOMMENDATIONS BASED ON THE PROCEEDINGS OF OUR CONFERENCE IN MAY, TOGETHER WITH DISCUSSIONS WE HAVE SUBSEQUENTLY HAD WITH MEMBERS OF STATE AND LOCAL GOVERNMENT, THE GAS INDUSTRY, AND OTHER ENVIRONMENTAL ORGANIZATIONS.

I'D LIKE TO EMPHASIZE, HOWEVER, THAT THESE ARE PEC'S RECOMMENDATIONS BASED ON THE INPUT FROM OTHERS, AND NOT NECESSARILY THE CONSENSUS OPINION OF OTHER THIRD-PARTIES.

TODAY, WE HAVE PRESENTED THIS REPORT TO THE GENERAL ASSEMBLY, SECRETARY HANGER, AND KEY STAFF IN THE DEPARTMENT OF ENVIRONMENTAL PROTECTION IN THE SINCERE HOPE THAT IT WILL BE A VALUABLE RESOURCE IN THE SHAPING OF POLICIES THAT GOVERN THIS INDUSTRY IN THE YEARS AHEAD.

WE STAND READY TO OFFER THE BENEFIT OF OUR EXPERTISE AND EXPERIENCE IN ANY WAY WE CAN TO BRING ABOUT EFFECTIVE REGULATIONS AND OVERSIGHT ON DRILLING AND GAS

OPERATIONS AND HOPE TO BE AN IMPORTANT PART OF THE SUSTAINABLE DEVELOPMENT OF THIS EXTRAORDINARY RESOURCES FOR MANY YEARS TO COME.

**[PAUSE]**

I'D NOW LIKE TO INTRODUCE MR. JOHN WALLISER, PEC'S VICE PRESIDENT OF LEGAL AND LEGISLATIVE AFFAIRS, WHO WILL DISCUSS THE REPORT IN MORE DETAIL....