



**Remarks of the Marcellus Shale Coalition
Before the
Congressional Natural Gas Caucus Field Hearing:
The Economic Impacts of Shale Production
Williamsport, Pennsylvania
July 25, 2013**

Good Morning. My name is John Augustine and I am the Community Outreach Manager for the Marcellus Shale Coalition.

Our organization is comprised of approximately 300 member companies, each with the same focus: promoting the safe production of natural gas in the Commonwealth and throughout our region, while maximizing the economic, environmental, and energy security benefits of this clean-burning and versatile resource. We represent exploration, production, midstream, and local distribution companies, along with a dynamic supply chain comprised of environmental consulting, water management, engineering, and manufacturing firms, among others.

As a life-long resident of Luzerne County, I have a vested interest in the development of this resource and understand that those of us in PA have been presented a historic opportunity to contribute to America's energy independence, national security, and drive toward cleaner, more reliable and less costly fuel.

My role with the MSC enables me to see firsthand the transformational impact that shale development has had on families across Pennsylvania. We can document the jobs created and employment for Pennsylvania residents. We can show the business growth and tax revenues that are being realized thanks to Marcellus Shale development. We can also demonstrate the strict regulative oversight under which our industry operates.

It is clear that development of natural gas from the Marcellus Shale presents an unprecedented opportunity to provide sustainable and broad-based economic benefits to our region – from local governments, farmers and landowners, construction workers and manufacturers, business professionals, and thousands of other workers and their families. What is equally clear is that clean-burning natural gas from the Marcellus Shale also represents a significant opportunity to provide energy security and environmental benefits to our nation.

Pennsylvania now produces nearly 10% of the nation's gas and a quarter of onshore domestic shale gas. Development of the Marcellus has allowed Pennsylvania to become a net exporter of natural gas and provided lower cost energy to the Commonwealth and surrounding states. Domestically-sourced natural gas also can be a part of a more sustainable energy future and it has the potential to reduce significantly greenhouse gas and other emissions.

The economic benefits of responsible natural gas development have been overwhelming. Between 2010-2012, over 4,500 wells were drilled, resulting in approximately \$31.5 billion in private investment - the 2013 projection is expected to top \$13 billion. Susquehanna County topped \$133 million in royalty payments in 2010. Since 2006, the industry has paid over \$1.6 billion in taxes, \$1 billion in road construction investments and more than \$400 million in impact fees have been paid.

The impact fee money has been distributed to every corner of the Commonwealth, allowing local governments to use the money for much needed projects. In 2 years, Lycoming County has received more than \$8 million, where townships have used the money to reduce taxes, add housing and help fund libraries. And Pennsylvania College of Technology recently announced that it will provide \$50,000 for tuition-free training for natural gas jobs to veteran, unemployed and underemployed residents of the county.



Other economic beneficiaries, of course, are men and women who can attribute their jobs to the work of our industry. Over 400+ individuals within nearly 150 different occupations are needed to complete and produce gas from a Marcellus Shale well. According to the PA Department of Labor & Industry, approximately 240,000 Pennsylvanians are employed in an occupation connected to the natural gas development in some way. In 2012, the average core wage was \$83,100 which was approximately \$34,700 greater than the average for all other industries. With sustained development of natural gas in the Commonwealth, that number should remain strong for years to come.

While we are proud of our record across Pennsylvania, we view these accomplishments as the foundation for an even better record to follow. Dedicated to spurring sustainable economic and energy security opportunities through a clean-burning and abundant fuel, Pennsylvania's natural gas industry remains focused on getting this historic opportunity right in countless communities across our region.

On behalf of the Marcellus Shale Coalition, thank you again to Congressman Thompson and members of the committee for the invitation to join you today and share the economic impacts of shale production.

