



December 7, 2011

**TO:** Honorable Thomas W. Corbett, Governor  
Honorable Joseph B. Scarnati, III, Senate President Pro Tempore  
Honorable Dominic Pileggi, Senate Majority Leader  
Honorable Jay Costa, Senate Minority Leader  
Honorable Samuel H. Smith, House Speaker  
Honorable Michael Turzai, House Majority Leader  
Honorable Frank Dermody, House Minority Leader

On behalf of Pennsylvania's largest state and regional business organizations, we urge you and all lawmakers to reconcile the differences between House Bill 1950 and Senate Bill 1100 so that Marcellus Shale legislation can be enacted before the end of this calendar year.

Pennsylvania is at a critical juncture. In the midst of the worst economic recession since the Great Depression, the Commonwealth is in a global race for finite investment capital. We must seize this opportunity to develop our abundant natural gas resources and win the economic prosperity and jobs that will result, or lose out to states and countries whose regulatory and tax environments make them more attractive for industry investment. The future of the Commonwealth, its citizens and their businesses depends on strong leadership and decision-making.

Protecting the Commonwealth's environment and the health of our citizens is paramount. Compared to other states competing for shale gas capital and related job creation, Pennsylvania already has some of the toughest environmental and safety standards in the United States. Both bills represent a commitment to maintaining and strengthening those standards. The resulting final bill can also achieve these goals.

We can develop these resources responsibly. The Marcellus Shale Advisory Commission provided expert guidance that balanced all interests and concerns.

As the bills are reconciled, compromises will and must be made. We believe, however, that the final bill must embrace two critical policy considerations:

- Environmental, safety, health, labor, transportation, taxation, and impact fee policies must be standardized and made consistent across all municipal jurisdictions in the Commonwealth without local variation or uneven enforcement. We recognize the powers of municipal governments in land use planning and zoning, and support legislation that sets out clear, statewide, uniform standards reserving to our local governments their relevant zoning powers.
- An impact fee assessed on drillers and operators of production natural gas wells must be competitive with fees in other shale gas producing states, reflective of well industry economics, transparent, and predictable.

December 7, 2011

Page 2

With the Marcellus Shale Advisory Commission's recommendations as a guide, we believe that it is important to take swift and decisive action signaling the Commonwealth's commitment to both the protection of our resources and the maintenance of a business climate that welcomes the natural gas industry.

You have our firm commitment to work with you as partners in fostering a strong, competitive Commonwealth.

Sincerely yours,



Gene Barr  
President & CEO  
Pennsylvania Chamber of Business and Industry



David W. Patti  
President & CEO  
Pennsylvania Business Council



Dennis Yablonsky  
Chief Executive Officer  
Allegheny Conference for Community Development



Robert Wonderling  
President & CEO  
Greater Philadelphia Chamber of Commerce

cc: General Assembly