



# NORTHWEST DEMOCRATIC CAUCUS

PENNSYLVANIA HOUSE OF REPRESENTATIVES

**Rep. Mark Longietti, Chairman**  
Rep. Frank Burns, Secretary

**Rep. Patrick Harkins, Vice Chairman**  
Rep. Ryan Bizzarro, Treasurer

Michael J. Hillman  
Executive Director

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Harrisburg, Pennsylvania

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December 4, 2015

House Democratic Caucus Leadership  
c/o Rep. Frank Dermody, Leader  
423 Main Capitol Building  
Harrisburg, Pennsylvania

Dear House Democratic Caucus Leadership:

As you continue to represent the interests of the House Democratic Caucus at the state budget negotiating table, we wish to draw your attention to an important matter that has the potential to be lost in the final crunch of passing a Commonwealth spending plan but is embedded in the Fiscal Code that must be considered in the coming days. We hope that you will speak up on behalf of the hundreds of small business owners engaged for decades in Pennsylvania's conventional oil and gas industry to protect their livelihoods at the same time that we all continue our fight to protect the state's natural resources.

Since late 2013, the Department of Environmental Protection has been engaged in the development of regulations for Pennsylvania's oil and gas industry. This is an appropriate strategy as we wrestle with the economic, labor, and environmental challenges of the novel and unconventional practices of Marcellus Shale extraction. Nonetheless, we are concerned that the Department's rulemakings may result in unintended, unwanted, and unneeded effects on the conventional oil and gas industry that has existed in Pennsylvania for more than a century and a half.

The Department initially proposed amendments to Title 25, Pennsylvania Code, Section 78, under the Corbett administration. From the very first notice of proposed rule-making, the Department declared the promulgation to be in response to the recent "advances in drilling and completion technologies [that] have attracted interest in producing natural gas from unconventional formations in this Commonwealth, including the Marcellus Shale formation" (43 Pa.B. 7377). Clearly, the Department, at the direction of both Governor Corbett and Governor Wolf, has understood the substantial differences between the conventional extraction and the unconventional extraction of oil and gas.

Nonetheless, when the initial proposed rulemaking was issued, it treated both segments of the industry with virtually identical regulations under the same chapter of the Pennsylvania Code. This one-size-fits-all approach does not square with the agreement on all sides that the techniques, scales, and risks of conventional and unconventional oil and gas extraction are vastly different. It naturally follows that a different set of regulations should be applied to each segment of the industry.

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**Jaret A. Gibbons**  
Beaver, Butler, Lawrence

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**Christopher Sainato**  
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In fact, the General Assembly agreed with that assessment and directed the Department to develop distinct regulations for conventional and unconventional oil and gas extraction in the Fiscal Code amendments adopted in 2014. The Department responded by adhering to the letter – but not to the spirit – of the law by “bifurcating” its rulemaking, thereby establishing a separate Chapter 78a but keeping nearly identical language in both chapters. This, despite maintaining in its final-form rulemaking of 2015 that “[c]ompared to conventional oil and gas development, unconventional well development involves larger well sites and centralized storage facilities, mobile wastewater processing, large volumes of water for hydraulic fracturing activities and new pipeline systems” (45 Pa.B. 1615).

The Fiscal Code amendment adopted by the legislature and vetoed by the governor earlier this year included language that would have more clearly directed the Department to develop a separate set of regulations for conventional and unconventional oil and gas well sites. Further, the amendment would have reset the clock on the rulemaking process for conventional wells only. It is our understanding that the Wolf administration does not support this language. However, for the reasons laid out in this letter, we strongly urge you to support its inclusion in the final, negotiated Fiscal Code for the 2015-16 fiscal year.

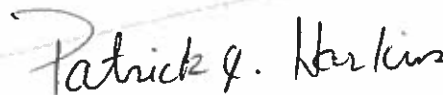
As representatives of large portions of Pennsylvania’s forests, waterways, and open spaces, we believe the protection of our environment is paramount. To that end, we are concerned that applying regulations intended for Marcellus Shale well sites will, in fact, be counterproductive in our efforts to safeguard the environment. To wit: the regulations would require significant timber removal around all well pads; while this makes sense at the large Marcellus Shale operations, it would quite literally gut vast swaths of forestland if applied to the thousands of conventional wells that have existed throughout the Commonwealth for decades already. It is obvious to everyone that this is not the outcome sought by the administration, the legislature, the oil and gas industry, or environmental protection advocacy groups.

We support robust, modern, and appropriate regulation of both the conventional and unconventional oil and gas industry in Pennsylvania. We ask you to insist that the agreed-upon Fiscal Code bill include the language concerning conventional oil and gas well regulations as presented in Senate Bill 655. You are welcome to contact us to discuss this further, and we thank you for your advocacy on behalf of our shared interests.

Sincerely,



Rep. Mark Longiotti, Chairman  
7<sup>th</sup> Legislative District



Rep. Patrick J. Harkins, Vice Chairman  
1<sup>st</sup> Legislative District



Rep. Frank Burns, Secretary  
72<sup>nd</sup> Legislative District



Rep. Ryan Bizzarro, Treasurer  
3<sup>rd</sup> Legislative District

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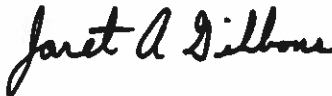
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Rep. Florindo J. Fabrizio  
2<sup>nd</sup> Legislative District



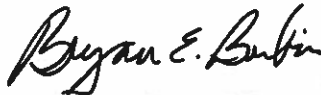
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10<sup>th</sup> Legislative District



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55<sup>th</sup> Legislative District



Rep. Bryan Barbin  
71<sup>st</sup> Legislative District



Rep. H. Scott Conklin  
77<sup>th</sup> Legislative District

CC: Ms. Miriam A. Fox, Executive Director, House Democratic Appropriations Committee  
Ms. Nora Winkelman, Chief Counsel, Office of the House Democratic Leader

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