



Setting THE record straight

July 14, 2011

Let's get *all* the facts right in Marcellus Shale debate

The Keystone Research Center's report on the representation of employment figures within the Marcellus Shale industry (72,000 new hires versus nearly 10,000 new jobs created) might be considered helpful information if it did not appear to be a politically timed missive; or, if earlier this year, the Pennsylvania Budget and Policy Center (KRC's counterpart), in its frenzy for new taxes, hadn't issued its own report that blatantly misrepresented the tax burden of companies within the industry.

As a result, both studies raise questions about the organizations' motives, and raise broader concerns about the need for facts in public policy discussions surrounding all aspects of the industry.

New hires or new jobs, it's all good news

While some news headlines did fail to make the important distinction between new hires and new jobs, the state Labor and Industry Department's Marcellus Shale Fast Facts was clear that 72,000 referred to new hires within the industry and that "new hires" is not the same as job creation. It's also worth pointing out that "new hires" is the metric used by Labor and Industry to report on activity in all other industries in the state, not just natural gas drilling. Therefore, it was consistent in its reporting of employment information.

And new hire statistics do tell a lot about the health of a particular industry. From the fourth quarter of 2009 to the first quarter of 2010, new hires in the Marcellus industry increased by 43 percent. The goods producing sector increased new hires by only 20 percent, while new hires in the service producing industry saw a 2 percent decrease. The examination of new hires shows robust activity and growth in the Marcellus Shale industry compared to other industries in the Commonwealth. In fact, a recent Penn State University study projects that by 2020, 211,000 new jobs will be created.

Regardless, in today's economy, it's hard to understand why the creation of nearly 10,000 private-sector jobs in an industry that has generated \$1.1 billion in revenue for the Commonwealth would be cast in a negative light. Doing so only reinforces the view that KRC and PLBC will criticize any positive news that is counter to their big government, tax-and-spend agenda, which has included calls for higher taxes on families as much as on job creators.

Unfortunately, these groups aren't the only culprits in the ongoing campaign being waged by some to discredit an industry that is producing and will continue to produce significant economic opportunities for Pennsylvanians.

Opinions, emotion have no place in policy debate

It would also be helpful if certain editorial boards and anti-drilling activists relied more on science than "recent news reports," general misinformation and emotion when forming opinions on hydraulic fracturing and overall regulation of the industry.

Never once has a state or federal environmental regulator linked fracturing to groundwater contamination. Environmental Protection Agency Administrator Lisa Jackson confirmed this at a recent Congressional hearing that she is "not aware of any proven case where the fracking process itself has affected water."

Even John Hanger, who served as Department of Environmental Protection Secretary under the Rendell administration, and was the founder of the environmental lobbying group PennFuture, said late last year, "It's our experience in Pennsylvania that we have not had one case in which the fluids used to break off the gas from 5,000 to 8,000 feet underground have returned to contaminate ground water."

The industry is fully regulated by the state and federal government; drillers are held to a higher standard in treating drilling water to safe drinking water standards for Total Dissolved Solids than are other industries; and DEP Secretary Mike Krancer is proposing stricter regulations for drilling within the vicinity of public water supplies and private water wells. Implying that the industry is not regulated is simply untrue.

No one would argue that the Marcellus Shale industry holds both tremendous potential and significant challenges for the Commonwealth. Fully realizing the one while successfully addressing the other requires a commitment from elected officials to allow facts to drive the public policy debate.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, with its membership representing nearly 50 percent of the private workforce. More information is available on the Chamber's website at www.pachamber.org

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