



**June 22, 2010**

Pittsburgh City Council  
414 Grant Street  
Pittsburgh, PA 15219-2419  
(412) 255-2142

Dear Council President Harris and Council Members:

We understand that the City Council is considering a proposal seeking to greatly restrict, and potentially even ban, the responsible development of clean-burning natural gas resources anywhere within the more than 35,000 acres comprising the city of Pittsburgh. On behalf of the Marcellus Shale Coalition, whose members helped create more than 40,000 jobs across the state over the past two years while generating billions of dollars for landowners and local governments, I have the privilege to write to you today to explain why this proposal is bad for the city and the more than 330,000 residents who call it home.

As you know, not a single cubic foot of natural gas from the Marcellus is currently being developed within the boundaries of the city. But take a look at what's happening just a bit further out, and you'll find communities throughout the Commonwealth of Pennsylvania reaping the enormous benefits that modern-day shale gas exploration makes available.

Some of those benefits come in the form of new jobs being created, and billions in revenue being sent back to the people and places that need it most. But that's just the direct impact. As you know, natural gas is not only a clean-burning energy resource for Pennsylvania, it's also an essential industrial feedstock in the creation of everything from steel to glass, paper to textiles, and bricks to fertilizer. Quite simply: Natural gas is the raw material of economic growth. And the more of it we have available here in Pittsburgh, the more stable the price – and the greater the ability for homegrown companies like U.S. Steel to compete with far-away firms whose entire business model is founded on low-cost energy and labor.

As we understand it, the proposal soon to be considered by the Council attempts to pre-empt existing state law, and in the process, seeks to deny thousands of city residents the fundamental ability to develop their mineral rights for the benefit of themselves, their families, their state, and their nation. Putting aside whether such an action would be considered legal in a court of law, the real question is whether it can be considered helpful to this city at this point in time – especially when more than half a million Pennsylvanians are currently without a job. Facing some of the most difficult economic circumstances we've seen in generations, the development of natural gas from the Marcellus represents one of the only private sector industries in the state consistently registering genuine job growth month after month. And as you know, nowhere has this durable job growth been more apparent than in our corner of the state.

Please understand that I can certainly appreciate the sentiment driving this particular resolution. Although completely unrelated to onshore natural gas activity (from both a practical and technical perspective), the human and environmental tragedy unfolding in the Gulf of Mexico has understandably made some of your constituents less than confident about the proposition of energy development in general. But if that is indeed the case, I hope you will consider providing me and our members the opportunity to explain in greater depth the differences between those two endeavors, and the extent to which we take seriously our commitment to be good neighbors in the community and even better stewards of the air, water and surrounding environment here in the Commonwealth.

As stated by Congressman Mike Doyle at a recent hearing on natural gas in Washington: "We have been known as a steel city, but pretty soon we may be known as the Saudi Arabia of natural gas with the Marcellus shale sitting underneath western Pennsylvania."

We couldn't agree more. Thanks to the marvel of modern-day Marcellus development, today we have the ability to access many times the amount of energy underground by drilling fewer and fewer wells. That means less disturbance to land, for starters. But it also means having the ability to reach out and secure natural gas deposits that reside more than a mile away from the actual drilling pad – a technical reality that's particularly relevant in an urban context. Fewer wells drilled, smaller footprints made possible, and potentially trillions of cubic feet of clean-burning natural gas produced for those who need it. That's the Marcellus you might not have heard a whole lot about as of yet. But with your help, it's a potential that can be fully realized for residents in and around the city of Pittsburgh.

In closing, allow me to thank you in advance for your consideration, and once again iterate our commitment to working with you and the communities you represent to ensure future activity in this area is done in a manner that's safe, efficient and beneficial for all. Please don't hesitate to contact me directly should you have questions, concerns or suggestions in the future.

Sincerely,

Kathryn Z. Klaber  
President and Executive Director