



September 12, 2017

The Honorable Tom Wolf
Governor of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf:

Yesterday, less than 48 hours before its next scheduled meeting, the Delaware River Basin Commission (DRBC) issued a press release announcing its intention to consider a resolution that bans the use of horizontal drilling and hydraulic fracturing for the development of natural gas within the Delaware River Basin. On behalf of the membership of our organizations, their employees and your constituents, we strongly urge you to reject this resolution.

For nearly a decade, the citizens of Pennsylvania who reside within the Delaware River Basin have been deprived of their right to develop the natural resources that they own and which our Commonwealth and nation rely upon. As a result of the failure of the DRBC to take final action on rules governing the use of water resources for natural gas development, billions of dollars in private capital investment has been lost to the Commonwealth and mineral rights owners have lost hundreds of millions of dollars in lease and royalty payments.

No one questions the inherent responsibility of the state, or the DRBC, to ensure that natural gas development is done in a manner that protects our citizens and our natural resources. Since the DRBC effectively halted development in 2010 – presumably to undertake a comprehensive review of the protections that ought to be in place to safeguard our environment – Pennsylvania has adopted numerous enhancements to its laws and regulations governing shale gas development. The enactment of Act 13 of 2012 provided comprehensive updates to Pennsylvania's Oil and Gas Act, and numerous regulatory updates by the Department of Environmental Protection, covering well construction and casing, surface activities, and other aspects of natural gas development, have been promulgated. All of these rules and obligations, of course, would be applicable to any development that may occur within the Delaware River Basin. Pennsylvania's statutory and regulatory framework has been evaluated on multiple occasions by the State Review of Oil and Natural Gas Environmental Regulations (STRONGER) and received excellent reviews.

Nearly a decade of unconventional shale gas development in Pennsylvania has demonstrated that this activity can be done safely and in a manner that protects our water resources. Perhaps nowhere has this activity been studied and evaluated more than within the Susquehanna River Basin Commission (SRBC). At least three studies undertaken by the SRBC, of which Pennsylvania is also a member, have shown no correlation between shale gas development and watershed impairment. In short, given the comprehensive regulatory scheme already in place in Pennsylvania, and the scientific analysis borne of over a decade of natural gas development within the Commonwealth, it defies both common sense and

logic for the DRBC to conclude that natural gas development cannot be done safely within its watershed when Pennsylvania has a proven track record of doing exactly that.

It is important to note that adopting rules which permit development within the basin does not compel any member jurisdiction to permit drilling activity. Each state still retains the authority to determine under what, if any, circumstances development may occur within their own state's jurisdiction. Given the existing moratorium in New York, and the lack of shale gas resources in New Jersey and Delaware, from a practical standpoint the proposed action to be considered by DRBC tomorrow only directly affects your constituents who reside in the Commonwealth. From a broader perspective, prohibiting the development and enjoyment of one's property rights based solely on which watershed a citizen may live or own property in is arbitrary, and sends a chilling message – far beyond the reaches of just the natural gas sector – to those who may be contemplating investing capital and creating jobs in the Commonwealth.

As governor, you have expressed your desire to see natural gas developed within Pennsylvania in a safe and responsible manner, and expressed support for both the clean energy and national security benefits of doing so. You have also rightly expressed your support and confidence in the ability of the Department of Environmental Protection and its staff to fulfill their responsibilities and ensure our natural resources are protected. Using your authority to enact a moratorium in the Delaware River Basin sends the wrong signal to property owners, to investors and even to the regulatory community that has developed some of the strongest rules in the nation to govern these activities.

For these reasons, we strongly urge you to represent the rights and interests of your constituents and fellow Pennsylvanians, reject efforts to adopt a permanent moratorium within the Delaware River Basin, and instead encourage the DRBC to finally move forward in finishing the work that commenced nearly a decade ago.

Thank you for your consideration regarding this important matter.

Sincerely,



David J. Spigelmyer, President
Marcellus Shale Coalition



Gene Barr, President and CEO
Pennsylvania Chamber of Business and Industry

cc: Honorable Patrick McDonnell, Secretary of Environmental Protection
Steve Tambini, Executive Director, Delaware River Basin Commission
Honorable Joe Scarnati, Senate President Pro Tempore
Honorable Jake Corman, Senate Majority Leader
Honorable Jay Costa, Senate Minority Leader
Honorable Mike Turzai, Speaker of the House of Representatives
Honorable Dave Reed, House Majority Leader
Honorable Frank Dermody, House Minority Leader