

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

1

**WORK GROUP:** ~~Public Safety and Local Government Impacts~~ Local Impacts

**SUBMITTED BY COMMISSION MEMBER(s):**

Ed Mann, State Fire Commissioner through PEMA Director Glen Cannon

**NOTE:** Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than **May 31, 2011**.

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

911 addressing for gas well sites and related facilities

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The lack of consistent requirements for 911 addressing at gas well sites and related facilities in all cases at the moment the establishment of the requirement is being left to each county to enact. This will lead to inconsistencies throughout the state and create confusion for the gas industry.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Senate bill 995 would amend Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes, requiring that the operator of each permitted gas well within Pennsylvania post certain 911 response information at the entrance to each well site.

**POTENTIAL FISCAL IMPACT:**

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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WORK GROUP: ~~Public Safety and Local Government Impacts~~

Local Impacts  
Emergency Response

SUBMITTED BY COMMISSION MEMBER(s):

Ed Mann, State Fire Commissioner to Glen Cannon, PEMA Director

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Often times it appears as though many state agencies are dealing with Marcellus issues in a vacuum and little to no information is shared until it either becomes a media event or it becomes the focus of hearings by the General Assembly as the result of an incident.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The current Marcellus Shale Commission is the closest thing in existence that brings all sides together to discuss issues and share information. I see no real challenge to implement; given the fact the Governor has already created the Marcellus Shale Commission. Creation of a "working group" could coincide with the Marcellus Shale Commission report.

At a minimum an "emergency response working group" should be created by Executive Order with the group headed by the Lt. Governor. This group would collect information on all incidents. This information would be used to establish best practices related to emergency response, set the direction for training, expansion of training to include production, temporary equipment, permanent footprint equipment, gathering lines, compressor stations and maybe storage facilities. The Lycoming County Marcellus Safety Coalition would be a good model to follow.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

No legislation or regulatory change needed, this can be created by executive order.

**POTENTIAL FISCAL IMPACT:**

I see no financial impact in the creation and actually believe that long term this working group could save the Commonwealth money.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: ~~Public Safety and Local Government Impacts~~**

*Local Impacts*

**SUBMITTED BY COMMISSION MEMBER(s):**

**Ed Mann, State Fire Commissioner through PEMA Director Glen Cannon**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Lack of permanent funding stream to continue with the basic level of first responder training for response to emergencies at gas well sites as well as lack of funding to develop and implement the necessary levels of advanced training

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The benefit of this training is the safety of the first responder, protection of the public, reduction to any environmental damages and the efficient mitigation of the incident. The single greatest challenge at this point is the lack of any dedicated funding streams.

This needs to be accomplished very soon given the fact that when the current agreement between the Marcellus Shale Coalition and the Office of State Fire Commissioner expires this year, the training currently being provided will end.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Yes, passage of legislation or changes in permitting fees creating an annual appropriation in a restricted account within the Office of State Fire Commissioner for the sole purpose of developing and delivery of training to include full time staffing to manage the programs.

**POTENTIAL FISCAL IMPACT:**

There can be no price put on the life of first responder who dies responding to an incident because they were not trained adequately.

To maintain delivery of current training the cost is \$350,000. To develop and deliver additional levels of training to include staff to manage the programs at total of \$600,000 would be needed.

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**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP: Public Safety and Local Government Impacts**

**SUBMITTED BY COMMISSION MEMBER(s):**

**Ed Mann, State Fire Commissioner through PEMA Director Glen Cannon**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Pipe line inspection and location

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Senator Baker and Representative Baker both have legislation that would require the inspection and tracking the location of pipe lines. While both pieces of legislation are very similar to one another, I prefer Senator Baker's bill because it would require inspection and tracking of class one pipe lines. While I understand there are few people living near class one pipe lines now, this will not always be the case and having accurate information regarding the location of pipe lines will help avoid future disasters similar to the incident in California in 2010.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Pass Senate Bill 325.

**POTENTIAL FISCAL IMPACT:**

I believe those issues are addressed in the bill

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**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** George Greig, Secretary of Agriculture

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Farmer/Landowner Issues

Farmers own significant land and mineral rights in the Marcellus shale region. As landowners, they face specific challenges to their agricultural operations due to the proliferation of drilling activities on or near their farms. The following recommendations would require the industry to address these concerns:

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

- In cases of spills, blowouts or other emergencies, landowners should be notified.
- Agreements should be in place requiring landowners to notify tenant farmers who are renting land from leaseholders of these situations.
- Water wells on landowner properties should be tested before drilling occurs.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

These recommended requirements could be addressed through private agreements, or through the appropriate permitting process.

**POTENTIAL FISCAL IMPACT:**

Unknown at this time

**MARCELLUS SHALE ADVISORY COMMISSION**

**Work Group Recommendation Format**



**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** George Greig, Secretary of Agriculture

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Clean and Green

Act 88 of 2010 amended the Clean and Green law to allow for oil and gas leasing and drilling activity with limited rollback tax penalty. Activity results in rollback taxes due only with respect to the portion devoted to that activity upon approval of a well site restoration report. The trigger date for rollback taxes is the date the well permit is issued. At the time rollback taxes are determined, the portion of land permanently devoted to the activity is removed from the program and fair market value adjusted accordingly for the interim period between the time a permit is issued and a well site restoration report is approved.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Language is needed in the Clean and Green law to include a provision for the County assessor to capture rollback taxes on enrolled properties that have fracking ponds and compressor stations that may not be associated with a production report.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

House Bill 144 of the 2011-12 Session addresses problems relating to Act 88 of 2010 dealing with oil and gas, using a well production report as a trigger for the county to collect rollback taxes on affected areas. DEP never actually approves well site restoration reports, rather the reports are simply filed with DEP. Also, there may be multiple wells on a pad under construction for years before a well site restoration report is submitted, therefore delaying the trigger for rollback taxes under Clean and Green. The proposed bill removes well site restoration report as the trigger and provides for well production report as the trigger for rollback taxes.

**POTENTIAL FISCAL IMPACT:**

To counties, under the Clean and Green program

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**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** George Greig, Secretary of Agriculture

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Agriculture Education/Outreach

Despite several years of outreach and education to the agricultural community, many farmers still may not fully understand the terms of gas leases, and the impacts of drilling activities on their operations. Also, many farmers do not own their mineral rights, and may be impacted in unforeseen ways. In many cases, farmers are unprepared to deal with the financial consequences of leases and royalty payments.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The Department of Agriculture should continue to coordinate outreach through private and other public sector resources, including Ag Extension offices, private financial consultants and planners, the Agriculture Law Center, and other means to educate farmers of changing business practices due to gas drilling.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None

**POTENTIAL FISCAL IMPACT:**

Unknown at this time

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**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** George Greig, Secretary of Agriculture

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Preserved Farms

Act 43, the enabling legislation for Pennsylvania's Farmland Preservation Program, allows for oil and gas development, and for "appurtenant facilities related to removal of gas". Over 4,100 farms are preserved, making Pennsylvania the leader in farmland preservation. Many farms in the Marcellus region have signed gas leases. A growing number of farms have been used for the development of appurtenant structures related to removal of gas, such as compressor stations. These facilities in some cases remove 10-15 acres from agricultural production. While these facilities are necessary to remove gas from the farm, they also serve to move gas from other locations along the greater pipeline. There is concern that public support for the farmland preservation program will erode because preserved farmland land is being converted to another use.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Reasonable limitations should be placed on acreage that may be taken out of production for compressor stations or related structures. This would require an amendment to Act 43.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Consideration should be given to limiting facilities to a specific acreage or percentage of the property, the lesser of the two. The language in Act 43 related to gas development is found at 914.1(c)6.

**POTENTIAL FISCAL IMPACT:**

No direct fiscal impact on Commonwealth.



**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

**NOTE:** *Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** Currently, municipalities do not receive prior notice before a company begins construction on a site. Often the only notification is the parade of trucks suddenly appearing in a community. Advance notice would ensure that the municipality is prepared and that the appropriate emergency responders are notified of the new activity.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** That natural gas companies be required to provide the host municipality and those municipalities along the primary traffic route with a 30-day advance notice before beginning construction on a permitted site.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**  
DEP could implement this provision through regulation.

**POTENTIAL FISCAL IMPACT:** Minimal.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

The distribution of earned income tax revenue from employers operating in more than one county to the appropriate municipality will be delayed as these employers have the option of remitting all receipts to a single collector. This means that municipalities not located in the county where the natural gas company has chosen to submit may experience a significant delay of up to four months in receiving funds due to them.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

It is recommended that the Local Tax Enabling Act be amended to facilitate the distribution of earned income tax revenues in a timely manner.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Consideration of an amendment to the Local Tax Enabling Act to require employers that choose to submit all earned income tax revenues to a single collector to notify their employees' home tax collection agency where the employer will be submitting earned income tax collection revenues.

**POTENTIAL FISCAL IMPACT:**

The cost burden on local governments to track down earned income tax revenue from employers and operate without such funds for months would be eliminated. Minimal reporting costs would be incurred for companies to notify home tax collection agencies of employees.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Local governments play a critical role in ensuring the delivery of vital public safety services for their residents including, but not limited to, emergency management, fire protection, police protection, and ambulance and rescue response. The natural gas extraction in the Commonwealth has created a number of impacts on public safety and emergency response in affected areas. Municipal volunteer fire departments and other emergency responders need to be properly trained and have the right equipment to handle emergency situations that arise due to drilling activity including securing the scene of a well fire, well blowouts, chemical and fuel spills, traffic incidents, and industrial accidents.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

It is recommended the Commission consider means to fund this additional burden on emergency services, including enactment of an impact fee on natural gas extraction with funds available to offset training and equipment costs for industry related emergencies.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation authorizing an impact fee on natural gas extraction and its use for public safety and emergency services including specialized training to handle emergencies relating to drilling activity.

**POTENTIAL FISCAL IMPACT:**

Would financially impact natural gas companies while offsetting the cost burden currently faced by municipalities and their residents.

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

15 (15)

<b>WORK GROUP:</b> Local Impact and Emergency Response
<b>SUBMITTED BY COMMISSION MEMBER(s):</b> David M. Sanko (PSATS)

**NOTE:** Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** Numerous issues have been reported concerning delays in emergency response due to difficulties incurred by emergency responders in locating well sites, which are often in very rural areas. When the site is located, the responders do not have readily available contact information for the well operator or access to the emergency response plan for the site, which can lead to a delay in appropriately addressing the emergency situation at the site.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** Require oil and gas well operators to provide addressing and GPS coordinates at access roads and wellpad sites and post at the site, along with emergency contact information, for the use of emergency services personnel in responding to an accident; register this information with the municipality and county and share the PPC plan for the site with emergency management coordinators.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (if yes, please summarize)**  
This recommendation could be accomplished through regulation by DEP or possibly PEMA.

**POTENTIAL FISCAL IMPACT:** Cost of developing and implementing regulations.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

16

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** In areas with heavy natural gas extraction activity, municipalities have reported a sharp increase in labor costs, particularly for skilled employees due to good paying jobs through the companies supporting the industry. In addition, municipalities have had to increase hours or hire additional employees to keep up with the pace of development through road inspections and rebuilding and zoning and building code administration and enforcement. In addition, costs of materials and services have increased due to the development in this area.

However, municipalities receive little if any increased tax revenues due to the economic activity. Natural gas is exempt from property tax exemption and only those Pennsylvanian employees who live in Pennsylvania pay an earned income tax for these communities. In short, the increased costs are much higher than the increased revenues received by municipalities.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** An impact fee on natural gas extraction should be levied to provide offsetting revenues for the communities affected by natural gas drilling and related activities. A majority of the revenues from such an impact fee should remain in the affected communities in order to prevent these costs from being passed onto the taxpayers through increased property taxes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation is needed to enact an impact fee on natural gas extraction.

**POTENTIAL FISCAL IMPACT:** Would financially impact natural gas companies while offsetting the cost burden currently faced by municipalities and their residents.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

17

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

The sudden growth of the industry across the Marcellus Shale region was not an activity that communities had planned for, even those with the best, most up-to-date comprehensive plans. As such, many areas of the state went from very little or even no growth to very rapid growth as the value of this resource was realized. The end result is that communities are playing catch-up in trying to figure out what needs to be done to plan for a future that few had envisioned just five years ago.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Increase current state funding levels to DCED to provide grant and training opportunities through the Land Use Planning and Technical Assistance Program. This valuable program has been reduced in scope over the last several budget cycles to be primarily a technical service. LUPTAP is a proven tool in assisting local governments to develop plans and policies, as well as in implementing mechanisms such as zoning ordinances and subdivision regulations.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

DCED's Land Use and Technical Planning Assistance funding should be restored to 2008-09 funding levels.

**POTENTIAL FISCAL IMPACT:**

Impact on commonwealth budget depending on level of state funding.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

18

WORK GROUP: ~~Infrastructure~~

Local Impact & Emergency Response

SUBMITTED BY COMMISSION MEMBER(s): David M. Sanko (PSATS)

**NOTE:** Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** Currently, owners of gathering lines are not considered to be facility owners under the Underground Utility Line Protection Law and join Pennsylvania One Call. This creates a significant public safety issue as anyone digging in the Commonwealth is required to call PA One Call before beginning a project so that the facility owners can mark existing lines, however, gathering lines are not marked. Except for those companies that voluntarily join One Call, these gas lines are not marked before projects begin.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Amend the Underground Utility Line Protection Law to require owners of all natural gas gathering lines to join Pennsylvania One Call as facility members.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation to amend the Underground Utility Line Protection Law is needed.

**POTENTIAL FISCAL IMPACT:** Minimal cost for significant public safety improvement.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

The Commonwealth has been leasing state forestlands for natural gas extraction activity. Municipalities where this is occurring do not receive any financial assistance from the impacts caused by this activity and in many cases have very small tax bases caused by the amount of Commonwealth-owned forestlands within their jurisdiction. The Payment-In-Lieu of Tax payments are currently \$1.20 per acre.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Amend the payment in lieu of taxes to increase the per acre payment to offset the impact caused by leasing state forestlands for natural gas extraction activity. Funding for this program should come from the state's royalty payments for leasing land for natural gas extraction.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Amend Forest Reserves Municipal Financial Relief Law, 72 P.S. 4303, to increase the annual payment per acre.

**POTENTIAL FISCAL IMPACT:** No impact on the Commonwealth's general fund since funding would come from leasing land for natural gas extraction.



**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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WORK GROUP: ~~Infrastructure~~

Local Impact

SUBMITTED BY COMMISSION MEMBER(s): David M. Sanko (PSATS)

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Intensive heavy truck traffic, including the hauling of heavy equipment, the transportation of water, and the removal of waste and other drilling byproducts, has an adverse impact on local roads, highways, and bridges. This negative situation is exacerbated by the fact that a significant portion of such hauling activity occurs on rural roadways that were not constructed for this type and amount of truck traffic. Adding to this the fact that these roads are exposed to extreme fluctuations in weather throughout the year, they will quickly deteriorate and require constant maintenance and upkeep.

While posting and bonding of roads and working closely with the driller can alleviate a major portion of the current cost, it does not include the cost to maintain upgraded roads in the future or to fix problems that arise in the future caused by use of materials not approved by PennDOT. In addition, there is currently no mechanism to recover the costs to municipalities for needed additional staff to constantly inspect road conditions and repairs made.

**RECOMMENDATION (including benefit, challenges to implementation, and timing):**

An impact fee on natural gas extraction should be levied to provide offsetting revenues for the communities that are affected by heavy hauling activities related to natural gas extraction. A majority of the revenues from such an impact fee should remain in the affected communities in order to prevent these costs from being passed onto the taxpayers through increased property taxes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation is needed to enact an impact fee on natural gas extraction.

**POTENTIAL FISCAL IMPACT:**

Would financially impact natural gas companies while offsetting the cost burden currently faced by municipalities and their residents.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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WORK GROUP: ~~Infrastructure~~

Local

SUBMITTED BY COMMISSION MEMBER(s): David M. Sanko (PSATS)

**NOTE:** Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** The potential for contamination of local water supplies and the reduction in the available water supply is a major concern because most of the residents of the rural areas where natural gas drilling is taking place rely on well water. A related concern is the potential need to provide public sewer in areas that currently rely on private septic systems. While the industry is responsible for providing water supplies where they are contaminated, in the long run municipalities will be responsible for operating water treatment plants. Municipalities would be responsible for providing sewer treatment systems if DEP determines that septic systems are failing due to contamination caused by natural gas extraction activities.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

An impact fee on natural gas extraction should be levied to provide offsetting revenues for the communities that are affected by lack of available water due to contamination or reduced supply and malfunctioning septic systems caused by natural gas extraction activity. A majority of the revenues from such an impact fee should remain in the affected communities in order to prevent these costs from being passed onto the taxpayers through increased property taxes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation is needed to enact an impact fee on natural gas extraction.

**POTENTIAL FISCAL IMPACT:**

Would financially impact natural gas companies while offsetting the cost burden currently faced by municipalities and their residents.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

**NOTE:** Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Municipalities have the authority under the PA Municipalities Planning Code (Act 247 of 1968) to enact zoning ordinances to implement the policy goals of their comprehensive plan, protect the character of their community, and provide for the needs of the citizens. Zoning ordinances regulate uses of land, siting, size, and height of structures, and the reasonable development of minerals among other things. Appellate court cases have reaffirmed this authority by recognizing that reasonable goals and objectives by a municipality provide protection to the citizens while allowing legitimate activities to exist. But, the natural gas industry argues that the industry should be given unfettered access to their holdings without any involvement by the community as long as they have acquired a permit from the state to drill for the mineral resource.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Present law should remain intact with municipalities retaining the authority to enact reasonable zoning ordinances as they pertain to natural gas development.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

We recommend changes to the Oil and Gas act that would remove the exemption for local regulation and give municipalities the authority to apply appropriate community standards to the natural gas industry.

**POTENTIAL FISCAL IMPACT:**

There is no fiscal impact to the state. Municipalities would have some cost since they would potentially have to amend their zoning ordinances to comply with the directives of the MPC. This cost would be no different than similar actions by the municipality to include an activity that is not presently covered by their zoning ordinance.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Public Safety**

**SUBMITTED BY COMMISSION MEMBER(s): PEMA Director Glenn Cannon**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY: Establishing a Specialized Training Team for Statewide Response to Marcellus Shell and (Shell) Emergency Situations**

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** There is a need to have an advanced capability to respond to Shell emergencies statewide. The ability to have a rapid response will minimize direct life safety and hazards, property and environmental damage and impact. The Shell gas industry has some resources available in the Commonwealth, however there needs to be a focused Specialized Team of First Responders/HazMat Technicians/Industry experts to respond on moment's notice anywhere in the Commonwealth. This Team could be developed using the expertise that exists on the (36) State Certified HazMat Teams under Act 165 of 1990 which mandates training and equipment standards as well as operational capability and Team exercises by selecting the best of the best for Shell response and be regionally selected to minimize response times. Additional Team members could be drawn from the State Incident Management Team, State Urban Search and Rescue Elements

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)** The model exists within Act 165 of 1990 for Hazardous Materials Teams. The Chemical Industry within the Commonwealth provides funding for the State HazMat Teams by the assessment under the Act of reasonable chemical and planning fees assessed on these facilities and chemical storage. This money is made available to both the Counties and State to fund the specialized response Teams. These Teams save the Chemical Industry money in general by the rapid response, and the controlling of hazards and providing rescue and life safety, coupled with quick isolation and control of any spills and the provision of expertise to local First Responders, Fire, Police, and EMS in a cooperative effort to minimize the threat and risk of a chemical spill emergency.

**POTENTIAL FISCAL IMPACT:** The Marcellus Shell and drilled Gas industry should fund this effort which would pay dividends in saving lives, property, and environment.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Public Safety**

**SUBMITTED BY COMMISSION MEMBER(s): PEMA Director Glenn Cannon**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** There is a need to have standardized addressing for all Marcellus Well Sites and other Gas Well sites throughout the Commonwealth. First Responders have a difficult time in finding Well Sites without appropriate advanced planning and coordination with the local County 9-1-1 Public Safety Answering Point (PSAP) and/or local Dispatch Center. Often times the workers at these sites do not use conventional telephone or wireless telephones and have to resort to the use of Satellite phones which do not give GPS locations and addresses.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The greatest benefit is a more rapid respond time for First Responders which would minimize the threat and risk to lives, and minimize property and environmental damages. This should be mandated as soon as possible.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)** The 9-1-1 Addressing standard and mandate could be done via legislation and or regulations under the initial permitting of Well sites within the Commonwealth.

**POTENTIAL FISCAL IMPACT: None**

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

30

WORK GROUP: ~~Public Safety~~

Local Impact

SUBMITTED BY COMMISSION MEMBER(s): PEMA Director Glenn Cannon

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** There is no requirement for Well sites to have a standardized Emergency Plan for site emergencies that is coordinated with the local Municipalities and Counties. There is a need to ensure that Well Sites meet with local and county officials in advance of any emergency situation that may arise. History in the Commonwealth Chemical industry confirms that a coordinated effort in advance of an emergency results in significant positive outcomes including life safety, and minimizes property and environmental damages and impacts. It would be reasonable to assume the same with the Shell gas industry.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The benefit is the insurance of a coordinated plan and response within the Commonwealth. Currently Counties and Municipalities have significant differences in requirements for emergency plans. There needs to be minimum standards of what should be included in these plans. There is also a need to have reasonable expectations that the safety of Well sites within the Commonwealth have a minimal level of expectations for safety to the public in all 67 Counties.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)** This requirement could be accomplished through legislation or by regulation imposed during the permitting phase of a Well site.

**POTENTIAL FISCAL IMPACT:** None

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

31

<b>WORK GROUP: Local Impact &amp; Emergency response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Terry Bossert</b>

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** There has been much discussion regarding local impact from Marcellus development, but it has been difficult to quantify any significant costs unique to Marcellus development. Those impacts identified anecdotally have been those that normally accompany increased economic and commercial activity. In addition there are perceived "impacts" that are the common results of more human activity. However, this increased activity is occurring in areas of the state not accustomed to such increases in economic activity. Accordingly, even small additional burdens on municipal services can be problematic and present a challenge for a municipal or county budget.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Create a revenue source to augment local municipal and county budgets from Marcellus activity to help offset the general increases in demands for local government services. The challenge will be to make some effort at quantifying the additional financial burden that local government is experiencing in order to properly tailor the revenue stream. Likewise, any such revenue measure should not be punitive or excessive. The revenue measure must consider the competition for capital and not stunt the growth of the industry. Also some measures should be considered to ensure that monies from the Marcellus operations are used to offset the impacts attributed to them and not diverted to other uses. Lastly, the question of road repairs needs to be addressed. Is it better to allow the road repair procedures currently in practice to remain, where the operators repair the roads, or is it preferable to have the new revenue stream cover that need, as some have suggested? I believe the current system will be more efficient and result in more timely repairs. In that case, there is no need for the local revenues to cover this item.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Yes, some legislative action will be required to implement such a revenue stream. Various proposals have already been made for an "impact fee" and those and others should be considered. However, any such proposal should have some actual relationship to impacts.

**POTENTIAL FISCAL IMPACT:** Increased local revenue, amount to be determined.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

25

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**MM**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Currently, several legislative bills have been introduced in the PA General Assembly to establish impact fees regarding gas exploration. These bills would provide counties a portion of the impact fees revenue. It is important that any impact fees collected are directed to funding initiatives that will mitigate impacts resulting from gas exploration and not for other purposes.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Allow counties receiving impact fees the maximum flexibility to create custom tailored programs to target these revenues to address impacts created by the gas industry. The county program should promote a "needs based" approach with measurable criteria to ensure that impact fees are addressing valid impacts on a full range of public facilities and services from the gas industry regardless of who owns the facilities impacted or who is the service provider. Funding should not have restrictive state imposed eligibility requirements so long as the impact fee money is spent on valid impacts resulting from gas exploration.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Include maximum flexibility to counties to utilize impact fees for their intended purposes as part of any impact fee legislation.

**POTENTIAL FISCAL IMPACT:**

County impact fee revenue amounts vary depending on each legislative bill that has been introduced..



**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**BK**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Impact on capacity of public water system.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Provide public funding to help defray cost of system expansion of public water infrastructure to Greenfield sites, and capacity expansions to Brownfield sites, in select growth areas throughout the County in response to the demand for land by gas development companies. Cost includes additional source water development and the water main extensions. In addition, many community water systems are asked to provide public water in large quantities to the industry for use during the fracking process; this new, large-volume customer base may require additional investment in water source capacity.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Ensure the enabling legislation and any implementing regulations allow for local impact fees to be used for this expressed purpose and to be made available immediately since the demand is upon us now.

**POTENTIAL FISCAL IMPACT:**

Counties face the potential loss of local employment base and tax revenues from gas development companies if they can not locate in preferred locations close to the gas drilling activity. Due to the unprecedented costs of sanitary sewer upgrades incurred in recent years by our communities to meet the Chesapeake Bay mandates, our communities' coffers are empty and borrowing ability to fund water improvements is stretched in many cases to the maximum extent.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

40

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>BK</b>

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Impact on capacity of public sanitary sewer system.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Provide public funding to help defray cost of sanitary sewer infrastructure system expansion to Greenfield sites, and capacity expansions to Brownfield sites, in select growth areas throughout the County in response to the demand for land by gas development companies arriving. Cost includes fees imposed by state regarding allowable nutrient loads associated with meeting Chesapeake Bay requirements and sewer main extensions.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Ensure the enabling legislation and any implementing regulations allow for local impact fees to be used for this expressed purpose and to be made available immediately since the demand is upon us now.

**POTENTIAL FISCAL IMPACT:**

Counties face the potential loss of local employment base and tax revenues from gas development companies if they can not locate in preferred locations close to the gas drilling activity. Meeting existing Chesapeake Bay nutrient management requirements has exhausted the financial resources of our communities. Due to annual nutrient discharge caps imposed on treatment plants, new development will, in many cases, require purchase of nutrient credits to offset 100% of the industry's nitrogen and phosphorus discharges.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**BK**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Establishing new public water systems.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Provide public funding to help defray cost of establishing, designing and constructing a new public water system to serve rural areas.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Ensure the enabling legislation and any implementing regulations allow for local impact fees to be used for this expressed purpose and to be made available to immediately satisfy public health, safety, and welfare needs that are upon us now and will occur in the future.

**POTENTIAL FISCAL IMPACT:**

It is a fundamental requirement for municipalities to provide for the public health, safety, and welfare of its residents. The cost of providing safe, abundant, and affordable drinking water to areas experiencing private or public well water contamination should be borne by the polluter, not by our communities or the state. This funding should be a direct payment from the responsible party and funded by them accordingly. The local impact fee funds should be used as a last resort in the event that a responsible party cannot be immediately identified, and be subject to reimbursement by the responsible party if/when one can be identified.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

43 ~~Revised~~  
~~Summary~~

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>BK</b>

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than **May 31, 2011**.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

**Erosion and Sedimentation (E&S) Control**

Earth disturbance activity, soil compaction, and deforestation associated with development of the Marcellus Shale resource is resulting in significant erosion and sedimentation (E&S) impacts and increased stormwater runoff. This degrades the waters of the Commonwealth (including high value and exceptional value waterways) and riparian habitats, and could imperil Pennsylvania's future compliance with the Chesapeake Bay TMDL for phosphorus and sediment pollution.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Current E&S and stormwater regulations must be enforced fully, and increased/additional regulations should be considered as warranted by actual ground conditions (adaptive management). This requires adequate personnel to perform site inspections, and not limited to complaint-driven inspections only. Random "spot" inspections should be performed during rain events because problems may not be observable during dry conditions.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

More "eyes on the ground" and multiple layers of enforcement will increase industry compliance with best management practices (BMPs) and reduce E&S impacts. Where Counties or municipalities have local stormwater regulations, the more stringent regulation should apply (the state regulation should not necessarily pre-empt local requirements). The state legislature should consider the possibility of sharing E&S responsibility over the gas industry to County Conservation Districts where those districts are prepared to accept this role, or allow regional PA DEP offices to share this responsibility with local Conservation Districts if the regional office feels it is understaffed to perform the job effectively. PA DEP should support compliance/enforcement actions that are referred to them by the Conservation Districts.

**POTENTIAL FISCAL IMPACT:**

- One of the Commonwealth's largest industries is tourism, and eco-tourism has been a centerpiece of recent marketing campaigns (such as PA Wilds) in the Marcellus region due to its largely rural nature. Degradation of streams and riparian habitats will adversely impact tourism in our communities, impacting local businesses and reducing tax revenues.
- Moreover, if Pennsylvania fails to comply with two-year milestones associated with the Chesapeake Bay TMDL, the backstop actions that could be imposed by EPA would cost billions of dollars to the Commonwealth and its communities and create little incremental benefit to the Bay.
- The costs associated with aggressively enforcing the E&S program should be covered by permit fees and any potential fines.

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**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**RR**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

**• Increase in Rental Rates:**

- Fair market rental rate considered affordable by PHFA for two bedroom apartment in the following communities:
  - Lycoming County -\$622/month including utilities.
  - Bradford County - \$579/month including utilities.
  - Tioga County - \$606/month including utilities.
  - Sullivan County -\$ 595/month including utilities.
- Currently, average rental rates have spiked to between \$800 and \$3000 – significantly higher than fair market rental rate.
- Most dramatic impact is on the Working Poor, who were not able to pay the high rents with minimum wage jobs.
- Landlords are evicting residents in order to make apartments available for transient gas worker population. Landlords are seeing the rental rate explosion as a quick fix to get extra cash, but are oblivious to the long term housing issues they are creating.
- Companies working in the Marcellus Shale are complaining about rental rates and instead of paying them, they would rather keep their employees in hotels. This is creating an artificial need for hotels. If rental rates were not out of reach more employees would be finding apartments. Not all Marcellus Shale employers are paying the employees housing costs, so there is a need for affordable housing on the employees end as well.
- Long-term renters are being pushed out of neighborhoods that they have made their home. This disrupts social networks and support systems established by the renters.
- Housing Authorities (particularly in Lycoming County and Sullivan County) have fewer resources, but much more pressure to provide public assistance for low-income renters. The Housing Authorities have long Section 8 waiting lists. Also, the payment standard set by HUD are less than average rents, this is causing major problem with keeping landlords in Section 8 program.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

- Work with local housing organizations to help long-term renters transition to find alternative housing. Continuity of a support system is critical to keep them self sufficient.

- Utilize the Housing Alliance of PA to better develop networks within the region to coordinate efforts, including the transfer of information about available housing and educate renters on options such as home-buying.
- Landlords, who have raised rental prices, will eventually through market forces have to face the reality that they have pushed the prices too high. The pool of people, who can afford the rental rates, is already dissipated and high rent apartments will be left unrented. Educate the landlords of what inflating their rental rates will do in the long-term to the community. (Locals are leaving due to rental rate hikes.)

#### **LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

- IMPLEMENT the Housing Trust Fund on local level to support local residents. This can be done through PHFA or another local entity.
- Master Leasing: Non-profit organizations works to purchase and rehabilitation housing in order to rent the units at a low rate. Specific regulations are placed on the properties through lease addendums. This allows rentals to be more locally controlled.
- Raise Recording of Deed Fees to better supplement the Act 137 Funds and use the extra funds to develop Shallow Rent Subsidy Program, First-time Home Buyers Program, and other rental assistance programs.
- Implement shallow rent subsidy program, where local revenue sources, such as Act 137 funds, impact fees, Housing Trust Fund, etc. to develop rental reduction program, similar to Section 8, but on a local level. Local Rental Assistance Programs have been shown to keep local rental markets strong.
- Work with companies to lower their housing allowances so they are paying on the level of average rental costs for the area and do not continue to inflate the rental rates. Because the companies are paying the rents, some employees are not considering alternatives to apartments with high rental rates.
- Fund the state Housing Trust Fund for increased resources and better coordination. Some programs. Like rental assistance, may work better if run through PHFA than through multiple municipalities or counties.

#### **POTENTIAL FISCAL IMPACT:**

- Local people are moving away to places where rent is lower - they are leaving and will not come back! This has detrimental negative effects on the local economy because local people are more likely to spend money at locally owned and operated businesses.
- The gas company employees paying the high rental rates will not be long-term renters. If they decided to stay in the area, they will look for houses. If they do not decide to stay, they will go back out west or to the next gas play. If the rates do not decrease, the apartments will be vacant and could fall into disrepair.
- People are being evicted or their rent is being raised so high that they can not pay it. Our neighborhoods and communities are changing, and there is a definite ground swelling of local discontent from the negative impacts including high rental rates.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

44

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

RR

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

• **Major Shortage of Affordable Housing**

- Increase in homeless shelters, which can lead to many problems. It is important that the shelter system is developed as a temporary crisis centers and work towards transitioning people into homeownership and affordable rentals.
- Homelessness can be detrimental to a community and especially to the families experiencing homelessness. In the long run getting people into affordable housing is much cheaper than running shelter programs.
- Push from developers to build new residential in greenfield lots.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

- More funding for housing crisis centers and transition programs, such as Salvation Army's Project Break Through.
- Promote Mixed Income Housing Developments.
- IMPLEMENT a local Housing Trust Fund to support local resident housing rehabilitation programs and rental assistance programs.
- FUND the state Housing Trust Fund for increased resources and better coordination. Some programs, like rental assistance, may work better if run through PHFA than through multiple municipalities or counties.
- Need more collaboration on housing issues region-wide. This problem is affecting more than just one county. The movement is too fragmented to be effective.
- Encourage strong planning and utilization of infill and brownfield sites for new residential construction – not greenfields. With good planning affordable residential can be constructed to fit into the existing fabric of the communities.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

- DCED and other Commonwealth grant program (For example: Rapid Re-housing Funds) for housing are very difficult to implement. They need to be more efficient and affective. The grant requirements restrict the overall implementation of the housing projects and do not focus on the big picture of getting people into housing.
- Develop grants and incentives to promote rehabilitation of housing that would supplement the affordable housing market.



- Support sustainably planned residential developments in brownfield and infill locations, while discouraging greenfield development of large scale residential.
- Increase the Recording of Deeds Fees to supplement Act 137 Funds and use funds to develop First-Time Home Buyer Program, housing rehabilitation program, or other housing supports.
- Increasing funding for Homes In Need Program and find alternative funding streams (impact fees) to sustain program for the long-term.
- Fund the state Housing Trust Fund with a dedicated revenue source.

**POTENTIAL FISCAL IMPACT:**

- Homeless shelters are expensive – much more cost effective to transition people into affordable housing.
- If minimum wage workers are not able to find affordable housing, they will leave. This will leave a gap in the employment of service industry and other lower paying jobs. The long-term implications of this could be very significant.
- Rehabilitation of existing housing stock is much more sustaining then building new housing. Policies have to support the rehabilitation of existing housing stock and the promotion of new housing constructed in sustainable ways.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

47

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**KH**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Compressor stations should comply with noise, screening and decommissioning requirements of local zoning ordinances.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Do not limit the ability of local municipalities and counties to regulate through zoning- noise, screening and decommissioning requirements.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None. Keep legislation as it is now.

**POTENTIAL FISCAL IMPACT:** None.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

49

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
KH

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

**Funding (LUPTAP)** for planning to prepare for and address the infrastructure needs of the gas industry.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

State funding should be made available to help with planning on the municipal and County level. Water, sewer, roads, rail, air are just some of the issues that require planning.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None.

**POTENTIAL FISCAL IMPACT:** Yes. Planning funds need to part of the state budget/impact fee.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**KH**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Local Control of Zoning

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Drilling in certain zoning districts (residential-high density) must be able to be prohibited.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Scarnati legislation would limit the ability of local officials to do what is best for their municipality or County.

**POTENTIAL FISCAL IMPACT: None**

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

52

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>BK</b>

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Any shale impact fee distribution formula should reflect accurately the real impacts to the local community.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

A funds distribution formula such as the one presented in Senate Bill 1100 is clearly a step in the right direction. However, we strongly recommend that the funds distribution formula for local municipalities and counties be constructed to capture the impact of both well drilling sites and the location of companies supporting those sites.

Proposed legislation (SB 1100, for instance) distributes funds based on the number of wells located in a municipality or county. This formula fails to account for the impact to infrastructure and local services for those counties (such as Lycoming) that have some drilling activity but have a heavy load of support industry such as gas pipeline depot, gravel and quarries, heavy truck maintenance, and frackwater treatment facilities. Lycoming County has between 85-100 such companies that support thousands of wells in our neighboring counties to the north.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Ensure that the local distribution formula accounts for BOTH the well drilling activity in addition to major support industry companies. Consider a weighted formula to achieve more realistic and equitable return of funds to the communities and counties bearing the burden.

**POTENTIAL FISCAL IMPACT:**

No impact is anticipated on state budget or the amount of funds collected by the shale impact fee.

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

55

<b>WORK GROUP: Local Impact / Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>JY</b>

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Identify the requirement for a unique and accurate County assigned 9-1-1 address for well pads and related facilities and structures.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The assignment of a unique and accurate 9-1-1 address to gas well pads, pump stations, water retention ponds, and above ground pipeline facilities ( launchers/receivers, valves, and metering stations as examples) will greatly assist and enhance the ability of 9-1-1 Centers to correctly identify the location of an incident / request for assistance. The 9-1-1 address will also assist emergency responders with locating the incident site.

The assignment of a County 9-1-1 address to each pad and related structures will also enable county 9-1-1 centers and planning agencies to better GIS/ Computer Aided Dispatch plot wells and facilities for planning and incident management purposes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Recommend that the counties adopt language in 9-1-1 Addressing or related ordinances requiring Marcellus Shale well pads and related facilities apply for and obtain a 9-1-1 address.

**POTENTIAL FISCAL IMPACT:** Staff time at the County level to verify the application, plot the location, determine the actual address, and update the data base. An actual site visit may be required for accuracy / point of reference purposes.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

50

**WORK GROUP: Local Impact / Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

TK

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Establish a State-wide Commodity Flow Study to assess the needs for additional Hazardous Materials (HAZMAT) training and/or emergency response equipment and personnel.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The increase in commercial truck traffic to include fuel tankers and skids of chemicals is a tangible impact of the Marcellus Shale industry. There is a need for a current and standardized state-wide commodity flow study of materials moving along the Commonwealth's highways, rail lines, pipelines, and through airports. This data will enhance the ability of planners and emergency responders to update response plans and identify training and equipment needs.

This is an important task that needs to be conducted in the next 12 months if possible and then again in 3 years to review trends and new developments.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Recommended that PEMA be the lead agency.

**POTENTIAL FISCAL IMPACT:** Unknown at this time

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

57

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

CK

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Provide training programs for Emergency Service Responders to better prepare for an incident at a Marcellus Shale well pad/facility. The emergency services training program challenge is multi-faceted:

1. Identify funding to continue to provide initial phases of Marcellus Shale Emergency Response programs via the PA State Fire Academy to local fire/rescue/law enforcement and EMS services.
2. Develop new safety training programs based upon changes in technology, equipment, of techniques used by the industry in the extraction and transportation of the Marcellus Shale gas.
3. Identify minimum training level recommendations for personnel to respond to a Marcellus Shale well pad incident (defensive practices / scene support functions).

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** All responders, career and volunteer alike, need a basic knowledge level and skill set to be aware of hazards associated with the various phases of operations at a Marcellus Shale well pad. Initial training provided by the PA State Fire Academy was beneficial in providing basic knowledge for familiarization with a Marcellus Shale drilling site with an emphasis on Emergency Services provider safety concerns. A process to ensure funding for this program should be considered in 2012 and beyond.

New Emergency Services programs, based upon changes in the Marcellus Shale industry and taking into consideration new tools and techniques in the fire/rescue/EMS community will need to be considered. An emphasis on air quality monitoring at an incident site, technical rescue, and specialty vehicle rescue used in the exploration, surveying, and construction of a pad needs to be considered.



General training requirements for a response to a Hazardous Materials incident have been established. NIMS/Incident Management Training requirements have also been identified. The recommendation is made to have a listing of minimum recommended training for a firefighter and/or EMS provider to respond to an incident at a Marcellus Shale well pad. This may be subdivided into those personnel providing defensive practices/supporting roles and those actively involved in fire suppression activities.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)** PEMA / PSFA would be the recommended lead agencies.

**POTENTIAL FISCAL IMPACT:** Staff time to develop training curriculums. Staff time and travel to conduct training. Administrative time to issue training certificates and related support activities.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

58

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

JY,CK

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Provide a County//regional level forum for Emergency Service providers, Gas Exploration and Support agencies and local government to openly discuss public safety issues and concerns and share information.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** All Counties involved in the Marcellus Shale activity are to consider the appointment of local level Marcellus Shale Committees and Task Force groups. Specifically, a Public Safety Committee or Task Force, comprised of local emergency responders (fire/police/law enforcement and EMA) as well as local regulatory response agencies and industry representatives, can meet and discuss local protocols, plans, and exchange information. Items such as water supply for fire fighting, commonality of equipment, communications and 9-1-1 access issues, and local medical helicopter evacuation protocols are examples of topics to be reviewed.

In addition to the share knowledge and increased understanding of the roles agencies serve, these committees shared build team work and face to face recognition which is essential in planning for emergencies and operating in a unified command environment.

The committees need to be dynamic to include new members as a new technology or players enter into a specific area.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Recommended that counties be given the option to establish a framework best suited to local needs and staffing.

**POTENTIAL FISCAL IMPACT:** Staff time at the County level to establish a committee, develop meeting agendas, coordinate speakers and tours.

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

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<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>RK</b>

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Implementation of a UNIFIED COMMAND SYSTEM at a well pad incident. A need exist for a unified command system to be in place at multi-agency incidents at a well pad or supporting facility location. The ability of Emergency Service providers, governmental agencies, local officials, and representatives of the gas industry to be able to jointly make decisions, allocate resources, and provide public updates is essential.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** There is an immediate need to provide training similar to the ICS 300 and ICS 400 level programs for gas industry managers and emergency response managers. The individuals need to be familiar with the planning process and decision making process used by the emergency services team. During an incident that will involve multiple agencies and occur during a multiple shifts / operational periods, it is imperative that all function under a common incident action plan process.

Incident Command and Incident Management is not a new concept to the emergency services community, however, to operate at a multi agency, multi-operational period event is not common in many suburban / rural areas. Additionally, the private sector gas personnel may not understand the decision process / jurisdictional authority of emergency response providers.

Benefits of a unified command environment will help facilitate a chain of command and unity of command, enhance site operations safety, define roles and responsibilities, and assist with the release of timely and accurate information ( especially related to public safety). The ability to coordinate on site communications and resources is another benefit of the unified command approach.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize) PEMA/DEP?**

**POTENTIAL FISCAL IMPACT:** ICS 300 is a 24 hour training program, ICS 400 is a 16 hour program.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

60

<b>WORK GROUP: Local Impact / Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
TK

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

PEMA certified HAZMAT teams: Guidelines or response protocols need to be defined as to the role of a County HAZMAT team operating at an incident at a Marcellus Shale well pad site. A survey of who is providing the service, team locations, and response times also need to be reviewed.

**RECOMMENDATION** (Including benefit, challenges to implementation, and timing): The loss of "well control" at a Marcellus Shale well will require the response of highly specialized equipment and trained personnel from industry response teams. The role of PEMA-certified county hazmat teams should be examined and clarified specifically related to well control events. This activity will hopefully lead to the development of a PA-wide protocol or guideline to facilitate how a PEMA-certified team integrates operations with the industry well control specialist. A logical review would also determine the on pad responsibilities of the industry well control team and the off pad responsibilities of a county hazmat team.

The benefit would prevent duplicative and conflictory efforts during an event and enhance pre-incident communications and training opportunities. This will also enhance incident management and unified command practices (communications coordination, safety officer roles and responsibilities, and resource coordination as examples)

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Recommended that PEMA be the lead agency.

**POTENTIAL FISCAL IMPACT:** County's are required to maintain an affiliation with a PEMA-certified Hazmat team. Additional costs/ future contract requirements would need to be determined.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

61

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

JY

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Marcellus Shale emergency response planning has dramatically increased the workload of County Department of Public Safety / Department of Emergency Services staff and support personnel. The increased workload of Marcellus Shale planning, coordination, training, and reporting is often being coordinated without an increase in staffing or support equipment.

Counties are still required to meet all reporting requirements within their respective LEPC, PEMA programs, PEMA 9-1-1 projects and reporting, and other related activities.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** Funding avenues be considered for additional staff required at the County level to plan, coordinate, and provide training and operational support for incidents related to Marcellus Shale. Possible options include the PEMA EMPG program or local / county level stipends from any Marcellus Shale fees levied.

As an example: The County of Lycoming, Department of Public Safety logged 89.25 man hours directly related to Marcellus Shale activities during the pay period of 1 – 14 May 2011. These hours included 9-1-1 addressing, GIS work, TIER II plan reviews, training program attendance, and safety committee attendance/outreach programs.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)** Unknown

**POTENTIAL FISCAL IMPACT:** Estimate \$45,000 – \$50,000 per year for a full time staff person and benefits (entry level) .

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
TK

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

**TIER II Reports**: The increased volume of hazardous substances being reported and the validity of the information, specifically actual locations, is a growing challenge.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The Marcellus Shale development is greatly increasing the number of Initial and Annual Tier II hazardous substance reports filed with PENNSAFE, counties, and local fire departments. The verification of data must be completed because the reported site coordinates are often inaccurate ( Latitude and Longitude errors). This also reinforces the need for a unique county-assigned 9-1-1 physical address for accuracy in lieu of solely relying on LAT/ LONG coordinates. The PENNSAFE on-line TIER II reporting system is soon to be fielded allowing on-line access to local fire departments and counties.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Recommended that Labor and Industry ( PENNSAFE) be the lead agency.

**POTENTIAL FISCAL IMPACT:** The increased fee (volume of fees) collection by PENNSAFE may help off set development/system improvement costs. Counties will benefit from enhanced Tier II revenues as Tier II filings increase.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**KW**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** **RENTAL HOUSING.** All involved counties are having trouble finding low income rental housing for parolees and others involved in the local social service system. Without an approved address, parolees cannot be paroled causing prison population to increase.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** Explore Prison aftercare programs that would allow for a short-term stipend for housing costs. Improved housing opportunities would also help C&Y to better service transient dependant children. The second alternative would be to reimburse counties for increased prison costs.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None.

**POTENTIAL FISCAL IMPACT:** Parolees in jail because of not having approved addresses will increase local costs. Increased time and costs to local agencies occur when families who are receiving social services from local agencies do not have addresses.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
KW

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY: INCREASED DEMANDS ON SOCIAL SERVICE**

**AGENCIES** Due to the housing shortage and corresponding homeless issue it presents, a “ripple effect” is created for a whole host of potential social service needs. Once individuals experience homelessness it acts as a “ripple effect” for a whole host of other social needs: food requirements, clothing, registering children for school and placing extreme emotional stress on a family unit all start at that time. Increased use of alcohol in order to cope with these types of problems is very common and could lead to demands for more substance abuse treatment and domestic violence assistance.

The challenge is to have the resources available to assist families when they almost certainly start to experience this ripple effect in the existing social service network. Ignoring these impacts by placing folks on extreme waiting lists will almost certainly result in increased court system issues and for law enforcement in general.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** It is recommended that those charged with obtaining sufficient social services resources carefully monitor these impacts over the next twelve to eighteen months and insure that the existing healthy social service systems stay that way and can respond to the demand that they experience providing those necessary resources.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (if yes, please summarize)** Legislation needs to be enacted to provide necessary resources to acquire social services in a speedy and timely fashion.

**POTENTIAL FISCAL IMPACT:** Unknown.



**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

KW

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** **INTERPRETER SERVICES.** There is a critical need to increase the availability of Court Certified Spanish Interpreters. Local Courts are required to provide certified interpreters when one or more parties have English as a second language. Presently there are only one or two certified interpreters in all of the counties affected by the gas exploration. Also, Law Enforcement/Accident/First Responders need training in basic Spanish to allow them to communicate with a suspect and to secure a police scene.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** The approximate cost to get certified for the court is \$1,700. One idea is to make available small stipends for people who may speak Spanish. The second idea would be to sponsor Law Enforcement Educational Programs so officers at least could secure a crime scene if Spanish people were involved.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None.

**POTENTIAL FISCAL IMPACT:** To increase the number of available certified interpreters would save counties money since they would not have to bring interpreters in from the large cities. To provide basic education in Spanish to law enforcement would be a minimal cost but a big safety benefit.

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

66

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**KW**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** JUDICIAL TRAINING. All the jurisdictions involved are small judge counties. Dealing with complex civil oil and gas lease cases will require substantial man hours from a judge and staff. If some training in complicated gas and oil lease cases were provided, it would be of great benefit to judges and their staff as they process cases through the system. Judicial training is also needed for immigration issues. Defendants in the criminal system will want to know their immigration rights before pleading to local criminal cases.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** Provide some monetary resource so A.O.P.C. could provide a course in this area for sitting or Senior Judges who may face these cases. As to immigration issues, A.O.P.C. or maybe State Legal Service agencies could provide such a course.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None.

**POTENTIAL FISCAL IMPACT:** This fiscal impact is significant: between \$10,000 and \$20,000 could be sufficient. This would provide a quicker civil decision so both gas companies and the litigants would know what the law is. A defendant in criminal court who gets bad immigration advice may be able to challenge his guilty plea. Potential fiscal impact on local communities would be additional trials and more prison expense.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format



**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**KW**

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** CENTRAL PROCESSING CENTER. Increase law enforcement contacts for traffic crime, DUI enforcement, and minor alcohol problems will create staffing concerns for the small township departments. County grants or monies through PCCD to develop central processing of defendants under arrest in these small jurisdictions will save time and better prepare the case for trial. The more workers coming into an area the more time demands law enforcement will experience.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):** Provide grant monies through PCCD to establish central processing centers through the Marcellus tier counties.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

None.

**POTENTIAL FISCAL IMPACT:** Once a central processing center is up and running it will save time for local law enforcement. They can provide more time covering the area than processing paperwork.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

68

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland</b>
<b>DH</b>

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

County human services programs are impacted in unique ways by out of state workers who are brought in for shale development. Although similar to the resident population, they appear to have a nominally higher percentage of individuals with behavioral issues that fall under county jurisdiction. Incidence is most frequent in drug and alcohol, mental health, children and youth, and domestic issues. The nature of service is different in some ways for this population. First, because they lack the community support our residents rely upon including extended family, faith based groups, and others, therefore they are more likely to fall directly into county programs rather than being diverted into the community. Second, because of their transience, the county may not have immediate or full access to an existing case file, hampering proper treatment and disposition. Third, because their supports are distant, the solutions can involve transport of the offender, the client, or the dependent(s). All of these become burdens for the county systems, which are funded by a combination of federal, state, and local tax dollars.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

No structural changes are recommended in any of statutes. Funding is the greater concern, and this can be addressed by a combination of appropriate funding in the Commonwealth general fund budget, and by enactment of an impact fee with funds dedicated to county use.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Review of appropriations in the Commonwealth budget; consideration of an impact fee, and allowing its use for county human services and criminal justice programs impacted by out of state shale gas workers.

**POTENTIAL FISCAL IMPACT:**

The recommendation on the Commonwealth budget is a direct Commonwealth cost. The industry impact fee as an industry cost. Both recognize the cost burden on state and county government for service delivery, and both relieve the burden on local taxpayers.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

**DH**

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Shale development is a significant economic driver, with exploration and development expected to be sustained for at least 25 years, and extraction for as long as 100. However, as Pennsylvania experienced in its previous resource extraction phases for coal, oil, and timber, once active exploration and production ceases, economic stagnation can be devastating to its host communities and particularly those in less urban locations.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Strategies should be developed to leverage current development in a way that helps diversify local economies, not just with spin-off industries that either support Marcellus development or use the resource it produces (both important in their own right) but with industries that are sustainable beyond the life cycle of Marcellus production. This can be done through economic incentives comparable to other community development and workforce programs, perhaps funded through state and local impact fee receipts. It also requires development of infrastructure that attracts industries and commercial enterprises; water and sewer expansions and improvements are already under discussion in this context but more rapid deployment of broadband should be added to this consideration, perhaps coupled and coordinated with opportunities created as rights of way are obtained for gas pipelines.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Consideration of an impact fee, and allowing its use for state and local economic development programs; statutory or regulatory coupling of rights of way and perhaps economic incentives with Chapter 30 broadband deployment.

**POTENTIAL FISCAL IMPACT:**

Industry impact fee as an industry cost. Cost burden on state and local government for programs to encourage economic diversity. Cost burden to utilities for expansion. Economic return for communities and workers and particularly long-term return that prevents economic stagnation.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

DH

**NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.**

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Shale development continues to rely on out of state workers for about 30% of their workforce. Mostly these workers are no different from resident workers, their out of state status presents some unique challenges to county service delivery. Under various statutes and interstate compacts, these workers can fall into county or state probation and parole supervision, juvenile programs, and domestic relations enforcement. For example, if they are on probation in the home state, they report to the host county probation system. If a dispute arises over enforcement of a support order, it comes under the jurisdiction of the host county domestic relations office (and may include hearings in the county court system).

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

No structural changes are recommended in any of these statutes or compacts. Instead it is recommended the Commission consider means to fund this additional burden on county services, including enactment of an impact fee with funds dedicated to county use.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Consideration of an impact fee, and allowing its use for county human services and criminal justice programs impacted by out of state shale gas workers.

**POTENTIAL FISCAL IMPACT:**

Industry impact fee as an industry cost. Cost burden on state and county government for service delivery. Impact fee relieves burden on local taxpayers.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format



**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

DH

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**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Counties have responsibility for developing and implementing all-hazards emergency response plans. Marcellus creates unique problems, including remote location, access and communications issues, unique technology, high quantities of hazardous materials, potential for regional safety and environmental events, and specialized response. The county incurs costs for development of the plan, site addressing including GIS, telecommunications adaptations including satellite phones, coordination with specialized responders, training of local responders, updating 911 call taking and dispatch systems, and others. There is no dedicated funding stream for this purpose, so although some counties have found limited discretionary federal or state funds, the primary cost is borne by county taxpayers.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Provide some dedicated funding through PEMA and commonwealth general fund; implement a shale gas impact fee for local government with emergency management as an allowable use.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Appropriation from general fund; enactment of an impact fee, and allowing its use for state and for emergency management purposes.

**POTENTIAL FISCAL IMPACT:**

Overall cost of development of plans can be well into six figures. Deployment, training, GIS, and 911 upgrade costs vary. Some costs are ongoing, including adding new well locations to the inventory as permits are let, ongoing periodic training and tabletop exercises, and support of 911 operations. Industry impact fee as an industry cost. Cost burden on local taxpayers is relieved. Benefit for proper development and deployment of an all-hazards plan is achievement of critical public and industry safety need.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Jeff Wheeland**

DH

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Host counties and municipalities and their neighbors face numerous impacts from shale gas activities, including infrastructure, emergency management, criminal justice, human services, land use, water supply and quality, and quality of life. While they appreciate and support shale gas as an economic driver, they balance that against their responsibilities to the community and to future generations to assure that the industry is properly served and impacts are properly addressed. Shale gas, like other industries, brings many spin-off benefits including jobs in related industries that directly support the industry, as well as secondary jobs and economic vitality in the community at large. Like other industries, shale gas companies' employees and the employees of related industries (at least those who are residents; there are some ambiguities on treatment of out of state residents) pay municipal and school income taxes, along with county, municipal and school property taxes, and the state sales taxes (for clarity, please note that the Penn State study often cited as "showing increases in sales tax collections where Marcellus is active" incorrectly gives the impression from its table that the tax goes to the county; in the narrative and elsewhere the authors are clear that these are state revenues).

However, unlike other industries, shale gas producers are not direct participants in the local tax structure, while other industries and commercial operations, and even other mineral extractors, pay property taxes based on the assessed value of their holdings, oil and gas industries are exempt from the property tax on the mineral based on a 2002 Pennsylvania Supreme Court decision. The Court's holding was not grounded on any constitutional or equitable issue, but instead opined that there was insufficient statutory authority for the mineral to be assessed.

In this void most of the large players in the industry have stepped forward and paid for infrastructure repairs, have contributed to local projects like digitizing courthouse records, and have made contributions to local recreation and community activities. However, this ad hoc system relies solely on the good graces of the companies and is likely to disappear once the wells are in place, and it provides neither durability nor equity compared to the contributions of the other taxpayers in the community.



**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Establish an equitable, effective, and durable mechanism for the shale gas industry to contribute to impacted counties, municipalities, and their neighbors, at levels sustainable and fair to the industry. Chief alternatives include an impact fee, or restoration of assessability for property tax purposes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Establishment of a statewide impact fee modeled along the lines of SB 1100 of the 2011-2012 session, and/or restore assessability along the lines of HB 10 of the 2009-2010 session.

**POTENTIAL FISCAL IMPACT:**

Revenue estimates of an impact fee are available for SB 1100 from the sponsors. Distribution estimates are available from local government associations. Insufficient information is available to determine aggregate yields from restoration of assessability although there are models available to determine potential assessed value of a well based on anticipated yield, which can then be compared to assessed values and millage rates in individual local jurisdictions.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

13

**WORK GROUP: Public Safety and Local Government Impacts**

**SUBMITTED BY COMMISSION MEMBER(s):**

**Ed Mann, State Fire Commissioner through PEMA Director Cannon**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

The lack of clear and consistent information related to the handling of a wild well incident involving fire. Many members of the General Assembly, state officials, local government officials are of the opinion that the Office of State Fire Commissioner can provide the training and equipment that would enable any Pennsylvania Fire Department to mitigate a wild well incident involving fire. This simply can't be accomplished because of the level of expertise needed to deal with such an incident.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Establishing the State Fire Academy as the clearing house for training matters related to training and response to incidents at gas wells. This would require the establishment of a permanent funding source which obviously requires legislation. The obvious challenge is producing legislation that all sides can agree to and does not create a new tax.

This needs to be done soon, because when the current agreement between the Office of State Fire Commissioner and the Marcellus Gas Coalition ends, the current training will cease and the development of additional levels of training will not occur.

Additionally, a table top exercise lead by one of the specialized wild well control companies should be conducted for all senior cabinet officials, key members of the General Assembly and others. This exercise would help drive home the points that this type of incident will require special expertise, establish realistic expectations related to local resources and serve to educate policy makers.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Yes, passage of legislation or changes in permitting fees creating an annual appropriation in a restricted account within the Office of State Fire Commissioner for the sole purpose of developing and delivery of training to include full time staffing to manage the programs.

**POTENTIAL FISCAL IMPACT:**

There can be no price put on the life of first responder who dies responding to an incident because they were not trained adequately.

The potential impact to local governments and the environment can't be captured in an actual dollar amount now. However, an event lasting several weeks would have significant impacts to both.

To maintain delivery of current training the cost is \$350,000. To develop and deliver additional levels of training to include staff to manage the programs at total of \$600,000 would be needed.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

74

**WORK GROUP:** Local Impacts & Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** Patrick Henderson

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Many landowners across the Commonwealth, particularly in regions without a lengthy history of oil and gas development, face new questions pertaining to lease agreements and their rights as property owners, such as:

- 1) What do the terms of a lease mean?
- 2) What can I include in a lease?
- 3) Who regulates this activity?
- 4) How can I determine if a prospective operator is a responsible company?
- 5) Should I obtain legal counsel?
- 6) Should I have my water tested?
- 7) If my mineral rights have been severed, what are my rights as a surface property owner?

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The Commonwealth, through a collaboration of state agencies (DEP, Agriculture, DCNR, etc) and the Attorney General's Office, should develop and disseminate material containing basic information regarding the rights, responsibilities and resources available to a landowner who is contemplating or may be affected by a natural gas development lease. The Commonwealth should partner with statewide and local citizen organizations, such as the PA Farm Bureau or PA State Grange, to develop and disseminate this material.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Much of this implementation can be accomplished without the need for legislation or regulation.

**POTENTIAL FISCAL IMPACT:**

Potential fiscal impacts to be determined based on scope of implementation.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

75

**WORK GROUP:** Local Impact and Emergency Response

**SUBMITTED BY COMMISSION MEMBER(s):** David M. Sanko (PSATS)

***NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.***

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Emergency management is a legal responsibility and function of municipal and county government and includes planning for natural, technological, and man-made disaster mitigation, preparedness, response, and recovery programs. The growth of the industry has led to the need for municipalities and counties to update their plans to prepare for additional types of incidents, many of which require specialized response, including first response and securing the site at well fires and blowouts, pipeline incidents, chemical and fuel spills, traffic incidents, industrial accidents that require rescues (trench, rope, etc).

Communication plays a key role in emergency planning and seamless communication between state agencies, the county, municipality, responders, and the industry is needed. Improved coverage for the commonwealth's radio network and cellular service is needed to enhance communication in these remote areas for emergency response. Such enhancement would also benefit the industry and its desired use of telemetry transmission.

As part of this, training is needed to prepare Community Emergency Response Teams to assist and support emergency response agencies.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

It is recommended the Commission consider means to fund this additional burden on communities for emergency management and preparedness activities, including enactment of an impact fee on natural gas extraction with funds available to offset training costs for CERTs, general planning and training modification expenses, as well the installation and/or upgrade communications infrastructure, including tower systems, and necessary hardware and software. A majority of the revenues from an impact fee should remain in the affected communities.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Legislation authorizing an impact fee on natural gas extraction.

**POTENTIAL FISCAL IMPACT:**

Would financially impact natural gas companies while offsetting the cost burden currently faced by municipalities and their residents.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

76

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Ralph Tijerina on behalf of Ray Walker**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Decision Tool for Incident Responders that will define different types of incidents from well to well site response and medical requirements. The decision tree will define recommended establishment of various type of equipment; the use of a Incident Command System with industry representatives as technical advisors (but managing the well control situation); evacuation plan deployment; equipment monitoring to determine exposed areas...

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Providing first responder managers (fire chief, EMA, Public Safety...) a method to determine next steps and options are vital to the immediate resolution to incidents

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Mandatory attendance by Fire Chiefs and County Emergency Management Agency Directors and Coordinators in affected areas

**POTENTIAL FISCAL IMPACT:**

Cost for development and materials – \$40k

Implementation Cost – those associated with the travel to local training centers with their counties plus the travel cost of the instructors. Similar training has cost of 200k per year for initial deployment and 50-75 per year for “maintenance” of program for new personnel.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

77

<b>WORK GROUP: Local Impact and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Ralph Tijerina on Behalf of Ray Walker</b>

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Develop a protocol for the emergency movement of equipment during nighttime or weekends when such loads are normally not permitted. In the event that oversized loads must be dispatched and moved to a location that requires the equipment. Such equipment could be cranes and earth moving dozers and back hoes.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

PennDot should establish and communicate an expedient protocol to move permitted loads during wellsite emergencies especially for companies that are not pre-registered. Align PSP with operator when escorting services may be required during inclement weather conditions exist.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

**POTENTIAL FISCAL IMPACT:**

None other than potential overtime for personnel managing the process



**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

78

<b>WORK GROUP: Local Impacts and Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Ralph Tijerina on Behalf of Ray Walker</b>

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Regional Response Advisors that can be used to assist in the management of a well control situation during the early stages of establishing a basis for the first responders to operate within. Providing direction and coordinate efforts with the fire chief or incident commander and acting as a liaison.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

- I. Identify Regions
  - a. Following Hazardous Material criteria
  - b. Use Same Identifying Codes/ Naming
  - c. Match with DEP regional offices and overlap
  
- II. Determine Industry Operators in Region
  - a. Utilize Permitting process to identify operators
  - b. Identify local offices in identified region
  
- III. Identify representatives that can respond
  - a. Coordinate with operators to identify volunteers
  - b. Identify back-ups for volunteers
  - c. Develop mutual aid agreement
  - d. Define specialties for responder protocol
  
- IV. Define Authorization
  - a. Representation
  - b. Liability
  - c. Chain of Command

Some of the challenges to developing this would be the agreements and releases needed from the industry advisors to provide assistance when a major incident occurs. Alternates would also need to be identified along with their specialties. These representatives will have to be from the industry with adequate experience to make valuable added decision.

A mutual aid agreement within industry will need to be developed and in place to ensure that liabilities are accounted for and method for deployment.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

**POTENTIAL FISCAL IMPACT:**

MARCELLUS SHALE ADVISORY COMMISSION

Work Group Recommendation Format

80

<b>WORK GROUP:</b>
<b>SUBMITTED BY COMMISSION MEMBER(s):</b> Ray Walker

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to work group chair no later than XXXX in order to be considered by full commission for submission into final report.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Creation of partnerships between industry operators and between industry and conservation groups.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Recommendation for the creation of partnerships between industry operators for things like mid-stream locations (in other words, sharing pipeline right-of-ways), which allows for less earth disturbance.

Additionally, allow for the creation of partnerships between industry operators and other industries, as well as between industry operators and conservation groups. For example, creation of a partnership between a midstream company and a public water supply provider, to allow for less costly installation of both water supply lines and natural gas lines by installing them in the same right-of-way. This may help facilitate getting public water to more consumers. Or, creation of a partnership between a conservation group and an operator to allow for a more habitat friendly reclamation of well sites.

These types of partnerships should be easily facilitated and should be able to happen in a timely manner.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

This does not require legislation or regulatory change to facilitate. One recommendation would be expediting of permitting for industry/industry partnerships or for partnerships where industry is working with a conservation group. This would help to facilitate the development of these partnerships.

**POTENTIAL FISCAL IMPACT:**

81

**MARCELLUS SHALE ADVISORY COMMISSION**  
Work Group Recommendation Format

**WORK GROUP: Local Impact & Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Terry Bossert**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** the Marcellus industry and the State fire Marshall have implemented an excellent training program for first responders. This program has been able to train numerous first responders in procedures specific to the Marcellus operations. The program was initially funded through a donation from the industry. A more permanent source of funds is required to continue the program.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

The actual costs of maintaining this program should be identified. Depending on the level of funding required, determine a source of funds. Possible options include: a portion of any impact fee that may be assessed on a well; a specific small surcharge on each well permit application submitted to DEP; or an annual appropriation by the General Assembly. The costs appear to be relatively modest so a small surcharge on each well permit application would likely cover the costs of the program.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Specific legislation will be required depending on the funding source selected.

**POTENTIAL FISCAL IMPACT:** Depends on the total cost and the vehicle used to raise the funds.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

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<b>WORK GROUP: Local Impact &amp; Emergency Response</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Terry Bossert</b>

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than **May 31, 2011**.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** Many Marcellus operators provide operator-specific training and orientation to local volunteer fire fighters and emergency response personnel. However, this is done on a largely ad hoc basis. Operator-specific training is important since operations and procedures may vary from company to company. However, it is important that this training reach the personnel that could reasonably be expected to respond to an incident at a well site or compressor station. Some level of coordination is necessary to ensure that training and orientation is being offered and that the necessary personnel are taking advantage of it.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**  
Designate some entity, probably on the county level, to coordinate the offering operator-specific training and the participation in that training. This may be an appropriate function for the county EMA, with funding from any local impact fee. It will not be necessary to have training on each specific well but the coordinating agency should see that each operator offers training and orientation when first moving into an area of the county. It would be advisable to have the operators include a professional well control company as part of the training staff. As part of this coordination each company should provide the county EMA with a copy of its emergency response plan.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**  
Ideally could be a cooperative undertaking by industry and the county EMA.

**POTENTIAL FISCAL IMPACT:** Some additional work hours required of county EMA personnel. May also be some expenses incurred by volunteers to attend training, but that should be minimal and paid by companies.

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

83

**WORK GROUP: Local Impact & Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): Terry Bossert**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:** As a result of an "abundance" of local governments in Pennsylvania Marcellus operators are faced with an abundance of local regulations and restrictions that range from reasonable through burdensome up to exclusionary. These restrictions are often the result of perceived local impacts or local desires to stop the development of the Marcellus Shale. These provisions often single out Marcellus operations for restrictions that are not applicable to any other operations or transgress into DEP's jurisdiction. In addition, some seek to limit Marcellus operations to unreasonably small geographic areas within the municipality. These varied local restrictions often deprive local mineral owners of the right to lease their minerals thus in essence "taking" this property from local landowners. The Municipalities Planning Code (MPC) currently requires all municipalities to provide for the reasonable recovery of mineral resources within its boundaries, but many municipalities are doing the opposite.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Greater clarity and consistency is required with regard to local ordinances and the authority of local government. If it is the policy of the Commonwealth to develop the Marcellus Shale and benefit from this local source of natural gas local governments should not be able to interfere with that policy. First it should be made clear that all environmental requirements are to be applied uniformly statewide by DEP and are off limits to local government. This includes not only requirements under the Oil & Gas Act, but also the Clean Streams Law, Solid Waste Management Act, Air Pollution Control Act, etc. Secondly, municipal regulations must be applied uniformly and not discriminate against Marcellus operations. They must also be based on real issues not perceived and exaggerated issues. In essence a well development is a construction project and should not be treated differently than other construction projects. Lastly, local controls should not deprive local landowners of the right to lease their minerals and obtain an economic benefit from their property. Adequate area in each municipality must be open for Marcellus operations in order to meet the current dictates of the MPC.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Yes. Amendment of the OGA to clarify that the existing preemption extends to all environmental programs administered DEP or other Commonwealth agencies and is not appropriate for municipal regulation. Also provide for the reasonable use and leasing of

Local 84

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

**WORK GROUP: Workforce & Economic Development**

**SUBMITTED BY COMMISSION MEMBER(s): Vincent J. Matteo**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Christopher Gray at [chrgray@state.pa.us](mailto:chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

**Housing (rental and single family dwelling units) for incumbent residents along newcomers is a challenge some areas are beginning to face and more areas will feel the crunch as demand increases. Areas like Lycoming County are just beginning to see a shortage while others like Bradford and Tioga to name just two are already suffering from single family dwelling and rental shortages.**

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

**New housing constructed here in the market will help to alleviate the shortage of affordable rental units while also addressing the demand for new homes in the market. The issue is getting private developers the bank financing to undertake these projects. The appetite for risk in the housing market is not there for the banking community.**

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

**There is an opportunity for the Commonwealth to aid through DCED or a different department in developing a loan fund to address this issue. It could be accomplished through floating a bond to create a necessary pool of funds. It is possible that the natural gas industry may be interested in purchasing the bonds.**

**POTENTIAL FISCAL IMPACT: The housing industry in the affected markets is not strong. The potential is significant with both new residents along with long-time residents looking to improve their current living situation. An increase in housing and rental stock could also assist in stabilizing prices and rental rates thus affording lower income families the possibility of finding affordable housing as well. In addition, retails and the service industry look to housing developments in making market location determinations. Further, all of this would result in additional primary and secondary employment opportunities. Finally, an adequate housing supply will assist in making it easier for potential employees to make a decision to relocate here where the jobs are being created.**

Local 85

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

<b>WORK GROUP: Workforce &amp; Economic Development (may need to be placed with a different one – perhaps Local Impact)</b>
<b>SUBMITTED BY COMMISSION MEMBER(s): Vincent J. Matteo</b>

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to [chrgray@state.pa.us](mailto:chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

Identification and capture of earned income taxes on non-W-2 income paid to out-of-state transient workers hired by companies in the natural gas industry.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

Recommend for companies in the natural gas industry to be required to remit copies of Forms 1099-MISC issued for PA-sourced services to the PA Department of Revenue for tracking of PA income tax compliance. Benefits include increased tax compliance, additional PA state tax revenue, and increased local tax revenues that benefits local communities and schools.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

Compliance could be monitored via corporate income tax Form RCT-101, with a section requesting companies to input the number of 1099-MISC form that were issued to subcontractors for PA sourced services.

**POTENTIAL FISCAL IMPACT:**

Additional revenue would be generated via increased compliance and to educate non-resident taxpayers that income earned in PA is taxed in PA. State tax collections will increase, and also local earned income taxes will increase, directly benefiting local municipalities and local schools.





**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

Local 86

**WORK GROUP: Local Impacts and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): David L. Porges**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

With over 2600 municipalities in the Commonwealth, local efforts to regulate gas development could result in a patchwork of varying interpretations and decisions in various jurisdictions. In 2009, the Pennsylvania Supreme Court issued two opinions clarifying the preemptive effect of the Oil and Gas Act concerning municipal regulation of natural gas extraction. The Oil and Gas Act contains express preemption language. While the existing language provides a solid legal basis to challenge local ordinances, it is a lengthy and costly process to litigate local zoning disputes.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

To avoid the time and expense of litigating the scope of municipal regulation of natural gas drilling projects, as well as resolve conflicting municipal requirements, the Oil and Gas Act should be amended to impose attorney fees for prevailing parties in litigation over municipal ordinances regulation natural gas extraction. The Commonwealth Court should also be granted original jurisdiction to adjudicate such disputes.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

86-B

The Oil and Gas Act could be further amended to provide for attorneys fees and grant the Commonwealth Court original jurisdiction over unauthorized local regulation of gas drilling operations so decisions would have a statewide effect. Agricultural operations currently have a similar process for challenging local ordinances but must proceed through the state Office of Attorney General. See 3 P.S. § 951.

**POTENTIAL FISCAL IMPACT: n/a**

**MARCELLUS SHALE ADVISORY COMMISSION**

Work Group Recommendation Format

Local  
87

**WORK GROUP: Local Impact and Emergency Response**

**SUBMITTED BY COMMISSION MEMBER(s): David L. Porges**

*NOTE: Each recommendation should be brief with a 2 page maximum upon completion. All recommendations are due to Chris Gray (chrgray@state.pa.us) no later than May 31, 2011.*

**SUMMARY OF CHALLENGE OR OPPORTUNITY:**

This Commission has received several presentations concerning local impacts related to natural gas extraction. While local impacts concerning transportation infrastructure; protection of water supplies; emergency response and preservation of health and safety have been identified, the costs of these local impacts need to be examined.

**RECOMMENDATION (Including benefit, challenges to implementation, and timing):**

It is recommended that the 90 day study be conducted by members appointed by the Governor and the General Assembly. Members should consist of representatives from local government, environmental groups and industry. While the externalities have been discussed, the specific costs of local impacts and allocation need to be addressed. A 90 day study will permit these costs to be examined within a reasonable timeframe for the legislature to address concerns related to natural gas extraction.

**LEGISLATION AND/OR REGULATORY CHANGE NEEDED? (If yes, please summarize)**

87-13

Senate Bill 1100 proposes a local impact fee to alleviate some of the burdens of natural gas extraction facing local communities. Representative Marguerite Quinn has recently announced her intention to file alternative local impact legislation called Shale Impact for Local, Environment and Roads. These legislative proposals could benefit from the examination of the costs related to local impacts.

**POTENTIAL FISCAL IMPACT:** None