

Resource Panel

Sala Udin (moderator)

Sala Udin is a former Pittsburgh City Councilman, where he represented the 6th district, and is currently CEO of the Pittsburgh Coro Center for Civic Leadership. He has served as a moderator and panelist at several local and regional deliberative events.

J. Bracken Burns, Sr., *Washington County Commissioner*

Bracken Burns has been associated with Washington County government since 1971 and has served as County Commissioner since 1996. Mr. Burns has been involved in exploring the impact of Marcellus Shale development on local infrastructure and the economy.

John Hanger

John Hanger was former Secretary of the Pennsylvania Department of Environmental Protection under Governor Ed Rendell. From 1998 to 2008, he was president and CEO of Citizens for Pennsylvania's Future (PennFuture). Today he is Special Counsel at the law firm Eckert Seamans and runs Hanger Consulting, LLC.

Angela M. Zimmerlink, *Fayette County Commissioner*

Commissioner Zimmerlink is Chair of the Fayette County Marcellus Shale Task Force. Of the mission of the Task Force, she says that it “gathers information and seeks out expert panelists on both sides of the issue and on various issues and presents the same to the public by hosting public programs and maintaining a website.”

Managing Marcellus

A Deliberative Theater Event



Wednesday, July 27, 2011

Colcom Foundation



PROGRAM FOR
DELIBERATIVE
DEMOCRACY



Managing Marcellus

By Shannon Deep

Directed by Todd Betker

Produced by Tim Dawson

Cast

Terry Fontano

Vince Ventura

Nell Gardner

Naomi Grodin

Marcia Koenig

Jenny Malarkey

Commissioner Lou Turner

Paul Ford*

Martin Merrin

David P. Tener

*appears courtesy of Actors' Equity Association

Deliberative Theater offers an innovative approach to engaging the issues surrounding Marcellus Shale development in Pennsylvania. The performance of "Managing Marcellus," an original play by Shannon Deep, will kick-off an evening that invites you and your neighbors to imagine how people might manage conflict and work together to address the many challenges related to Marcellus Shale development.

The evening includes moderated small-group discussions, and an opportunity to ask questions of a resource panel of community leaders who have been practically engaged in dealing with the opportunities and the challenges that Marcellus development brings to residents, communities and local governments.

Questions for the Deliberative Theater Event

The groups discussed above are just some examples of how people are working together at the intersection of community, government, and industry to address the challenges of managing Marcellus. Some suggest, however, that task forces, cooperatives, or other such groups are unnecessary. These groups generate information and advice, but they cannot establish or enforce policy. This may limit the influence they are able to have on the industry, and residents may become confused about what to expect from these groups. In addition, these groups may replicate work already being done. Some people may decide that the time effort and energy devoted to developing new groups may be better spent working with existing resources.

At the Deliberative Theater event we hope for a creative conversation about what sort of relationships can be developed that will bring community, government, and industry together to develop the best possible responses to the challenges of Marcellus development. At the event we expect to address questions similar to these:

- What are your concerns about Marcellus development?
- Do you think that the established channels at the state and local level provide the resources you need to address your concerns?
- Do you think local groups like those discussed in the playbill (or others you might be familiar with) might effectively address your concerns?
- Is there some unique role that a local group may be particularly well suited to play?
- Do you think there are limits to what can be done by local groups?

ample of this form. Members of this task force include state legislators, a representative from the Pennsylvania Department of Environmental protection, and representatives from municipal governments, school districts, the county planning office, the chamber of commerce, local banks, local non-profits, and local colleges.

In addition to sharing information, doing research, and offering policy proposals, this task force has generated and shared guidelines that help communities think about and address the challenges of Marcellus development. For example, drawing on the particular expertise of the various parties involved, the task force developed “decision trees” that describe the questions to ask, the personnel to contact, and an order of response to follow when an accident occurs at a well site. These tools are designed for first responders, and they have been incorporated into training programs offered by the Office of the State Fire Commissioner.

A second form of task force has been developed in Fayette County. Here one county commissioner formed and maintains the task force on her own initiative. The Fayette County Marcellus Task Force makes use of no county resources, and the commissioner’s service on the task force is distinct from her service as a county commissioner. Formed in 2010, this task force focuses largely on assessing residents concerns and disseminating information. The task force has hosted several seminars and webinars, and it provides contact information so that residents can voice their concerns to companies and government agencies.

The Fayette County Marcellus Task Force is organized into seven subcommittees, which operate as ‘study groups’ focused on particular issues (community impact, economic, environmental, planning, public awareness, public safety). Subcommittees may have representatives from municipal government, industry trade groups and individual companies, environmental groups, and community and state colleges. Each subcommittee also has a number of individuals who provide “public representation.”

Introduction

A range of economic, environmental, and public health issues impact natural gas extraction and present significant challenges to residents and public officials at the state and local level. To date, much of the public discussion about developing natural gas reserves in the Marcellus Shale has focused on these issues. This Deliberative Theater event was created to provide an opportunity for people to address a challenge that has received relatively little attention. To manage Marcellus, people will need to develop relationships that involve community members, government officials, and industry representatives working together. You have been invited to this event to discuss what these relationships should be and how they should work.

Across Pennsylvania, citizens, public officials, and industry representatives face the challenge of managing natural gas reserves in ways that will benefit communities and ensure that development is done right. This challenge is made more difficult by the uncertainty surrounding the impact of natural gas development. The economic promise of development relies largely on projections, and research on the public health and environmental impact is only now beginning. Drilling has begun and is growing rapidly. As a result, managing Marcellus requires people to quickly make decisions in the face of uncertainty.

The Deliberative Theater event is designed to provide information, engage your imagination and inspire your creativity. In this playbill, we provide a brief discussion of the potential impact of development, a list that represents a range of challenging questions and an overview of some of the ways in which people are currently working together to address these questions.

Impact of Marcellus Development

Recent technological innovations have made it economically feasible to access reserves of natural gas contained in 22 shale formations spread across 20 states. Most of Pennsylvania sits atop one of these reserves, the Marcellus Shale, and some estimates suggest that the Marcellus may prove to be the most productive shale formation in the world.

The Marcellus Shale is just one of three shale formations in Pennsylvania, all of which have inspired optimistic projections. Drilling companies have recently begun testing the potential of the Upper Devonian Shale and the Utica Shale, which sit above and below the Marcellus. With three potentially rich shale formations, Pennsylvanians can expect to face the challenge of managing natural gas resources for a long time.

The development of any energy resource—whether it is oil, coal, solar, wind, or natural gas—introduces both benefits and challenges. Development of natural gas reserves will create jobs, spur business growth and development, and increase revenue for state and local governments. On the other hand, many are concerned that the technologies used to extract natural gas, especially hydraulic fracturing, and the infrastructure of well sites, pipelines, compressor stations, and processing plants that are needed to produce natural gas will have negative impacts on public health and the environment. People are also concerned that state and local governments do not have the resources necessary to deal with the damage to existing infrastructure, the increased demands on public services, and the increased need for oversight and regulation that will come from natural gas development.

The table on the following page presents some of the potential effects of Marcellus development, and can be read as a list of challenging questions that residents, public officials, and those involved in the industry must work together to address. Some of these issues, such as increased jobs, business development, and increased revenue sources, can be beneficial, and people will want to make sure that development does, in fact, benefit both individuals and communities. Other issues introduce potential environmental, public health, and governance problems for which we will need to develop solutions.

Initially the co-op is focused on the development of local ordinances that permit drilling and protect residents. In the future, municipalities involved in the co-op may pool their resources to hire a local natural gas enforcement officer. This officer will monitor the activity at drilling sites and compressor stations and enforce local ordinances. Local enforcement officers are meant as an additional form of oversight. They are not intended to replace state regulators, and they would have no power to enforce state regulations.

The Marcellus Municipal Cooperative provides a venue for municipal officials to deliberate, identify needs, and coordinate a collective response to the challenges of Marcellus development. Participation in the co-op is voluntary and any decisions made by the co-op would still have to be implemented individually by each municipality. In addition to the co-op, Representative White has encouraged the local officials involved to form local advisory groups similar to the county-wide task forces described below.

Community Task Forces

To respond to the challenges of Marcellus development, the Pennsylvania Department of Community and Economic Development encourages communities to develop task forces. Marcellus task forces are perhaps the most comprehensive approach to addressing the challenges of natural gas development, serving as a source of advice for elected officials. They bring together various stakeholders in a community, working together to identify key issues, research facts and information, host presenters, convene public meetings, provide public education, and propose public policy.

Any community can form a task force, but in Pennsylvania, county-wide task forces are the most common, with fifteen throughout the state. Many of these involve representation from state and local governments, industry, business groups, and local government planning staff. In addition, some include representatives of the public. Currently, task forces in Pennsylvania come in two forms.

In the first form, county commissioners convene and serve on the task force as part of their regular responsibilities, and the task force has access to county resources for its work. The Marcellus Shale Exploration Task Force of Lycoming County in Northeastern Pennsylvania is an ex-

Increasingly, however, these agreements address environmental impact and include guidelines for well site development and restoration of the land after the drilling process is completed.

There are over 100 landowners groups in Pennsylvania. The largest has about 2,000 members, but some have as few as 10. Many drilling companies value landowners groups because they replace the need for multiple negotiations. Beyond the immediate goal of a leasing agreement, groups may stay together to keep tabs on companies once development begins. In addition, some groups that initially formed only to negotiate leases can become a resource for members to collectively discuss and address other issues related to Marcellus development. For their part, public officials generally engage landowners groups as one among many constituent groups.

Municipal Cooperatives

In March 2011, State Representative Jesse White initiated the organization of the state's first Marcellus Municipal Cooperative. The co-op is intended to help the 22 municipalities in Rep. White's district address the challenges of Marcellus development by:

- Providing a forum for municipal officials to gather and share the knowledge, skills and tools needed to protect and sustain their communities;
- Allowing municipalities to function individually while working together to establish best practices for local governments on issues relating to Marcellus Shale development;
- Communicating and building positive relationships with industry stakeholders, county, state and federal governments, landowners, community groups and local businesses to achieve uniformity and consistency on Marcellus Shale-related issues.
- Focusing on fact-based, non-biased community outreach and education to promote honest co-existence between the public and private sectors; and
- Serving as a model of how local governments can be informed and involved without over-regulating and overextending the boundaries of the law while still protecting the health, safety and welfare of the public they serve.

Environment & Public Health

Air Quality	Emissions from increased traffic as well as natural gas extraction and processing
Habitat Loss	Fragmentation from natural gas infrastructure
Water Quality	Ground and surface
Water Quantity	Increased demand on resources by industry and new residents

Local Infrastructure

Housing and Property Value	Influx of transient workers or new residents may increase rents or home values The 'industrialization' of land may decrease property values in rural areas
Roads	Roads not built for heavy use/heavy loads
Schools	Rising enrollment from influx of new residents
Utilities	New housing may require new infrastructure

Local Economy

Business	Business development opportunities Increased activity/growth for existing businesses
Workforce	Increase in personal incomes Need for workforce development Type and number of local jobs

Government

State	Consumer protection: leasing issues, water and air quality, etc. Regulatory enforcement capacity and jurisdiction Tax and revenue implications/options
Local	Additional demands on police, fire and other public services (and the additional costs incurred) Development of intergovernmental relationships with neighboring municipalities, the county and state Managing the potential for community conflict Planning and land use Potential revenue source

Managing Marcellus

Marcellus development requires people to make decisions in the face of uncertainty. There are no guarantees that the economic benefits of Marcellus development will match projections and there is a need for more research to assess the environmental and public health impacts of development. In the end, natural gas is a finite resource—Marcellus wells will eventually run dry.

Even the most responsible development will be a challenge to residents and to both state and local governments. The infrastructure for development must be created (well sites, access roads, pipelines, compressor stations, wastewater treatment facilities, etc.), damage to existing public infrastructure will need to be repaired (roads, bridges, etc.), and governments will face increased demands on public services (police, fire, inspections by regulators, etc.).

To address these challenges, people will have to answer a more basic question: How can we develop relationships that enable people to work together at the intersection of community, government, and industry so that we can manage development of resources responsibly?

The working relationships we develop at this intersection must help people become informed, manage conflict, and respond to valid concerns about real and potential problems. More than that, these relationships must inspire trust and the confidence that development is being done safely and in ways that will continue to benefit communities long after the wells cease producing gas.

Existing Relationships for Managing Marcellus

Some may believe that the relationships and resources needed to manage Marcellus already exist. At the state level, which has the primary responsibility for addressing the challenges of development, the Pennsylvania Department of Environmental Protection is responsible for inspections, permits, and regulation of the industry. At the local level, zoning ordinances provide public officials with a limited ability to manage development in their communities. Residents can work alone or through established civic, business, environmental, or activist organizations to influence public officials at the state and local level. If problems occur, state regulatory agencies can impose fines, and, should it be necessary, individuals and public officials can pursue legal action to address any grievances.

Marcellus development has presented significant challenges to the traditional ways citizens and governments work with each other and with industry. Development has put a strain on relationships among neighbors. Faced with competing claims from their constituents, local government officials have felt unprepared for the rapid pace of development. Many communities do not have the personnel, financial resources, or zoning ordinances that allow them to address the particular challenges of natural gas drilling. Residents wishing to offer guidance to public officials need reliable information. However, they may find it difficult to practically engage the sheer quantity of often conflicting information that is available from websites or contained in the dense language, tables, statistics and technical vocabulary of complex research reports.

Rapid development, community conflict, inadequate local resources, and the difficulty assessing information have all been challenges to the traditional ways in which communities manage resources. To respond to these challenges, residents and public officials in some communities have created ways of working together to identify problems, gather information, address questions, and propose solutions. The organizations discussed below offer models that can spur the imagination of people engaged in creatively thinking about what types of relationships will help them manage Marcellus.

Working Together: Three Models

Landowner Groups

The primary relationship in Marcellus development is between a landowner and a drilling company. Since landowners often feel at a loss when they negotiate leases, many have formed landowners groups.

Landowners groups are common in other areas of the country, where they often form simply to share information and host educational presentations. In Pennsylvania, however, landowners groups have also served as a vehicle for the collective negotiation of leasing agreements. Prior to negotiations the group will hire lawyers and may also hire consultants. Landowners then determine what arrangements will reflect their values and interests. They then ‘package’ their land and approach industry representatives to negotiate one comprehensive leasing agreement. Traditionally, agreements cover only lease and royalty payments.