

Statement of Support

for a natural gas severance tax and dedicating a portion of revenues to land, water and wildlife conservation and helping communities

Background

Introduction

Pennsylvania sits atop one of the largest deposits of natural gas in the world – the Marcellus shale formation. New drilling technology means that drillers are just now starting to tap into this resource. The PA Department of Environmental Protection issued a record 7,792 drilling permits in 2008 (up from roughly 2,000 in 1999).

Most states with natural gas resources tax the extraction of the gas. Governor Rendell has proposed a tax on the extraction of natural gas identical to the one that has been in place in West Virginia since 1987. This tax is projected to initially raise more than \$100 million a year, rising to more than \$630 million annually by 2014.

Impact on Communities and Environment

Natural gas extraction imposes heavy costs on our communities and environment – pipelines, drilling pads and wastewater storage pits altering our landscapes and fragmenting wildlife habitat, heavy rigs damaging our roads, billions of gallons of water taken from our streams and operational errors contaminating our land and drinking water.

Use of a Severance Tax

Some of the money raised from a natural gas extraction tax could be used to offset these costs and invest in watershed restoration and protection, habitat conservation, public access to outdoor recreation, and conservation of open space and farmland. This can be accomplished by directing a portion of the tax to the Environmental Stewardship Fund (Growing Greener) as well as to Pennsylvania's natural resource commissions for habitat improvement and public access purposes.

Public Forestland Issues

Industry groups oppose the gas severance tax and instead want to dramatically accelerate drilling on publicly owned forestlands to generate revenues for the state, even though last year saw a huge expansion of natural gas exploitation on state lands. In 2008, the PA Dept. of Conservation and Natural Resources leased 74,000 acres of state forest for Marcellus shale gas drilling. It would be prudent to study the effects of this on wildlife, water, public recreation, and the general health of our forests before the state rushes to open more public land to major drilling operations.

Since 1955, lease payments and royalties from drilling in our publicly owned state forests have been deposited in the Oil & Gas Lease Fund to be used strictly for conservation and recreation. Now, after 54 years, Harrisburg proposes to change the law to redirect the money to other uses.

The undersigned organizations support:

- 1. A fair and reasonable tax on the extraction of natural gas.**
 - 2. Dedicating a portion of the tax to the Environmental Stewardship Fund and to the Pennsylvania Fish & Boat and Game Commissions to restore wildlife habitat and improve public access.**
 - 3. Dedicating a portion of the tax to help local governments impacted by natural gas drilling operations.**
 - 4. Balance and restraint in leasing public lands for gas extraction. The impact of leasing 74,000 acres of state forest in 2008 and potential impacts of additional leasing should be carefully evaluated before opening up more public land for drilling.**
 - 5. When natural gas and other resources are taken from public forestlands, the revenues generated should be reinvested in the conservation and restoration of the Commonwealth's natural resources.**
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10,000 Friends of Pennsylvania
Allegheny Trail Alliance
American Farmland Trust
Appalachian Mountain Club
Audubon Pennsylvania
Bedminster Land Conservancy
Berks County Conservancy
Central Pennsylvania Conservancy
Centre County Farmland Trust
Chesapeake Bay Foundation
Citizens for Pennsylvania's Future
(PennFuture)
City Parks Association
ClearWater Conservancy
Countryside Conservancy
Delaware River Greenway Partnership
Delaware Valley Earth Force
E.L. Rose Conservancy of Susquehanna
County
Eastern PA Coalition for Abandoned Mine
Reclamation
Eden Hill Conservancy
Elk Creeks Watershed Association
Foundation for Pennsylvania Watersheds
GreenSpace Alliance
Heritage Conservancy
Independence Conservancy
Kennett Township Land Trust
Keystone Trails Association
Lake Erie Region Conservancy
Lancaster County Conservancy
Lancaster Farmland Trust
Land Conservancy of Adams County
Lebanon Valley Conservancy
Montgomery County Lands Trust
Natural Lands Trust
North Branch Land Trust

Open Land Conservancy of Chester County
PA Council of Trout Unlimited
Pennsylvania Federation of Sportsmen's
Clubs Rylan Country
Pennsylvania Wildlife Federation
PennEnvironment
Pennsbury Land Trust
Pennsylvania Environmental Council
Pennsylvania Forest Coalition
Pennsylvania Land Trust Association
Pennsylvania Recreation & Park Society
Philadelphia Water Department
Pine Creek Land Conservation Trust
Pocono Northeast Resource, Conservation,
and Development Council
Preservation Pennsylvania
Radnor Conservancy
Shermans Creek Conservation Association
Sierra Club, Pennsylvania Chapter
Somerset County Conservancy
Susquehanna Greenway Partnership
The Conservancy of Montgomery County
The Nature Conservancy
The Trust for Public Land
Western Pennsylvania Conservancy
Wildlands Conservancy
Wissahickon Valley Watershed Association

Crossroad Gift & Thrift
Fjordstone, Inc.
J. W. Crouse, Inc.
Hometown Green
Montgomery Rehab Associates
Schmid & Company, Inc.
This Leaky House
Veterinary Medical Specialists of Pittsburg