

TESTIMONY
MARCH 3, 2015
SENATE ENVIRONMENTAL RESOURCES AND ENERGY
COMMITTEE
North Office Building
Hearing Room #1
Harrisburg PA

In Support of Act 13 Impact Fee Funding

Senator and Chairman Yaw, Senator and Chairman Hutchinson, and members of your respective committees, I am Anthony Ventello, Executive Director of the Progress Authority. The Progress Authority is a General Purpose Authority/Industrial Development Authority, and Industrial Development Corporation focused on providing full service economic development programming under contract for all of Bradford and Susquehanna Counties.

As you may know, these counties rank 2nd and 1st in shale gas production in Pennsylvania with over 5,700 wells permitted and 2,200 drilled with 6.5 bcf of natural gas production per day. Employment rate averaged 4.2% of unemployment for December with billions in investment and taxes paid, and 245,000 Pennsylvania jobs impacted. Along with this shale gas development comes substantial impacts.

Our efforts to educate ourselves on the economic and community impacts of shale gas development have taken us to rural areas of Texas, Oklahoma, New Mexico, Alberta, Canada and most recently, Arkansas, to critically understand the similarities but most importantly the differences in shale gas development and their impacts in Northern Pennsylvania.

Having lived and worked in the heart of the Marcellus Shale formation from its inception over the last 9 years, if someone asked me what the single greatest impact was from the Marcellus development, I'd say "what has happened and in the time it happened in." I can sincerely testify to the beneficial results of Act 13 to our rural counties and municipalities that have been effected the most. As rural counties, local resources to manage this great natural resource and its benefits did not exist. Act 13 has provided funds to both Bradford and Susquehanna counties that have dealt directly with the immediate and future impacts to our local governments and communities. Act 13 empowers local decision-making. It allows county and local governments to maximize its use to serve its greatest needs.

We are aware of the tremendous economic impact of natural gas exploration, through direct shale gas investment, purchasing of local services, goods, and substantial payment of taxes to our federal, state and local governments. We have experienced tax base expansion with new commercial and residential buildings. Our counties have 2 new hospitals improving health care delivery and experiencing their 24/7 economic impacts. Taxable income has risen 19%, farming remains the strongest in the core Marcellus counties, along with continued investment in our diversified local manufacturing sector. However, existing tax levies are used to fund traditional state, educational and governmental services.

Act 13 has for the first time in Pennsylvania allowed for the bolstering of emergency services and public safety, which is traditionally volunteer – based. Infrastructure improvements along with critical planning and investment for housing, industrial park development, and most recently, an infrastructure bank and investment loan and grant programs which target the greatest needs to maximize impact of critical issues have been developed. Act 13 has provided our counties, local municipalities and communities with funds to augment specific programs and efforts not reached with existing taxes and

permitting fees traditionally levied by governments. Additionally, statewide environmental and housing programs have been funded through our County Conservation District, Department of Community and Natural Resources (DCNR) and the Pennsylvania Housing Financing Agency (PHFA), continuing investment in Pennsylvania communities.

Our legislators must be commended for the leadership provided with the passage of Act 13, which has been the most useful resource to maintain and improve our communities for all the impacts of shale gas drilling. Act 13 is providing for the foundation to strengthen our rural counties and prepare for additional investment.

While we all have experienced the historical cycling of the industry with production and demand, one thing is constant, our need to better utilize this resource is apparent to benefitting both private and public demand for revenue.

As a statewide initiative, the financial and economic future of Pennsylvania is to focus on the value-added utilization of this Marcellus resource. By providing incentives for CNG (compressed natural gas), LNG (liquefied natural gas), GTL (gas to liquids), electrical power generation, improved local distribution (so all Pennsylvanians can benefit) feed stock for industry and export will balance the economics of pricing, drilling activity and utilization. We must add value before it leaves the Commonwealth in order to capitalize on investment and job creation and retention.

Our future lies with the vertical integration of this resource and Act 13 allows for the development of infrastructure and community services to build capacity to promote further shale gas utilization and development. Pennsylvania can be the nation's leader in energy development and continued investment via Act 13 can make it happen.

I thank the Environmental Resource and Local Government Committees for the opportunity to provide this testimony.