

May 20, 2011 Marcellus Shale Advisory Commission Meeting Minutes

Call to Order and Welcome

Chairman Jim Cawley called the meeting to order at 9:30 a.m. Chairman Cawley noted that this is the third meeting towards the July 22, 2011, deadline set by Governor Corbett for the Commission to issue a report. Chairman Cawley provided each member with a form to use in making recommendations on or before May 31, 2011. Chairman Cawley is reserving the June meeting for open discussion of proposals. His goal is to determine whether there is consensus as to the issues to be addressed by the report.

Chairman Cawley commented on the economic and job creation potential of Marcellus Shale. He noted that Representative Saylor is in attendance at the meeting to discuss his legislation designed to provide incentives for converting and using vehicles powered by natural gas. He also noted there would be a presentation from Kathryn Klaber, President of the Marcellus Shale Coalition.

Chairman Cawley commented on the impact that drilling has on water. He noted the attendance of Nicholas DeBenedictis, Chairman and CEO of Aqua America, Incorporated, who will discuss public water supply.

Chairman Cawley noted that there is a signup sheet for comment after the meeting. He asked members of the public to limit their comments to two minutes and noted that they can also e-mail comments to: Marcelluscommission@state.pa.us, or log on to: www.state.pa.us, and enter keywords: "Marcellus Shale Commission" for more information. He noted that more than 500 people have emailed their comments with regard to natural gas, which would be made available to the public at the end of the deliberations in July.

Approval of Minutes of March 25, 2011

George Greig made a motion to approve the March 25, 2011 Minutes. The motion was seconded by Chris Helms and passed unanimously. Mr. Cawley noted the approval of the minutes and will direct staff to post a copy of the final minutes on the website.

Working Group Reports

Chairman Cawley noted the next round of working group meetings will take place on June 6 through 9, 2011. He called upon each of the Chairs or Vice Chairs to provide a brief report on some of the issues covered.

Infrastructure

Chris Masciantonio, Vice Chair, noted that at the last infrastructure meeting on May 9, 2011, four topics were discussed, which included highway effects, pipeline manufacturing, and rail freight and transportation uses of natural gas. Mr. Masciantonio stated PennDOT representative, Scott Shaffer, has noted success already in maintaining the roads and is up to the task to address the challenges. Mr. Masciantonio commented that Scott Dorn, General Manager of Marketing for United States Steel, noted the market growth for the steel pipe industry that Marcellus Shale presents. Mr. Masciantonio remarked that a presentation by Jeff Stover identified a significant increase in activity by the rail industry with regard to Marcellus Shale. He noted that Aaron Lance, Motion Design Group, discussed transportation uses for natural gas vehicles.

Robert Powelson commented on the foreign imports coming into the Pennsylvania market and stated there is a good game plan for advancement.

David Sanko inquired whether there were any local highway plans with regard to infrastructure. Mr. Masciantonio noted a report would be forthcoming in the June session. Jeff Wheeland questioned whether data was being collected on the spending within the industry. Mr. Walker noted the expenditures were close to \$200 million.

Public Health, Safety and Environmental Protection

Mike Krancer, Chair, stated a lot of time is spent acquiring public comment about the public health sector. He noted Dr. Bernard Goldstein, Pitt University Graduate School of Public Health, provided testimony with regard to undertaking a comprehensive perspective. Dr. Eli Avila, Pennsylvania Secretary of Health, and Dr. Stephen Ostroff, Acting Physician General, provided comments on public health impasses and discussed exposure, the kinds of exposure and potential exposures. Mr. Krancer noted a presentation by Staci Covey, who is a nurse and president of the Troy Community Hospital, regarding an increase in patient volume. He stated Troy Engelder commented there first should be a hypothesis for a study of exposure. Mr. Krancer remarked that there already is a library of data regarding exposures to various materials. Terry Bossert noted a need to separate perceived impact from real impact.

Local Impact and Emergency Response

Glen Cannon, Chair, stated the last committee meeting focused more on impacts rather than emergency response. He acknowledged a presentation by Bill Fogarty of the Pennsylvania Housing Finance Agency with regard to housing shortages, doubled and tripled rents, and shortages of low rent housing. He also noted that Commissioner Mary Ann Warren from Susquehanna County made a presentation with regard to Marcellus agriculture being the number one industry. She pointed out an instant wealth for many of the people in the county as a result of royalties and acreage uses. She noted that methane

in the water has always been an issue. Mr. Cannon commented on presentations by two members from the Pennsylvania Farms Bureau whose operations depended upon an abundance of clean water. They expressed an understanding of the temporary disruption with long-term improvements. Mr. Cannon stated the farmers have lost crop land but have been allowed to keep their farms going. He noted there are no pipelines and no royalties yet, but the farmers are anxious to see the continued development of this business within their area. Mr. Cannon also noted that Jacqueline Root of the National Association of Royalty Owners presented on the same issues. Her association assists lease holders and landowners contract with the gas production companies.

Jeff Wheeland suggested considering a collaboration of industry and local communities being impacted by the drilling with regard to emergency response, training equipment, and an action team that would take a significant amount of burden off of the local response crews. There were comments from other members with regard to housing, which was noted to be a future problem as people start to move into the area. Mr. Cannon suggested issue be revisited at a later time.

Economic and Workforce Development

Alan Walker, Secretary, acknowledged four presentations from four different areas. He commented that Dave Ross, Marketing and Business Development Director of the PPG Corporation in Pittsburgh, explained there are 20,000 vehicles in Pennsylvania, three different models, powered by natural gas, but a hybrid may have to be developed.

Dave Callahan of the Marcellus Shale Coalition discussed workforce development needs, noting the number of Marcellus Shale jobs filled by Pennsylvanians. He stated the workforce needs could be best met by developing training programs in the local communities. There is a real need for land survey people, welders, and electricians. He encouraged the training of Pennsylvania workers for those jobs. It was suggested engaging military people and their resources.

Mr. Callahan noted a presentation by Hugh Mose of the Centre Area Transportation Authority, who replaced all buses with natural gas in 1993 which resulted in a fuel savings.

There were comments by Ben Franklin Technology Partners, who is interested in a long-term opportunity for jobs in Pennsylvania. C.Alan Walker noted Ben Franklin will follow up with specific recommendations. There was discussion of utilization of natural gas vehicles for transporting students at Penn State. Nicholas Haden commented the chemical industry and fertilizing industry are huge consumers of natural gas. Mr. Walker stated that three large international chemical companies have expressed an interest in Pennsylvania. He suggested the need for an ammonium nitrate plant, which is a user of natural gas and H₂O, both of which are plentiful in Pennsylvania.

Robert Powelson reported on a dialect in place with the Public Utility Commission with regard to natural gas distribution by Equitable Gas in Pittsburgh, which is working with UPS and Giant Eagle stores in the Western Pennsylvania area. He noted there will be a meeting with PECO Energy in the near future.

Terry Bossert discussed the retired military personnel. C. Alan Walker noted the accomplished network of training facilities in Pennsylvania. He is hoping the local providers will respond. Mr. Walker also commented that as the industry advances there will be a need for certified truck drivers.

Gene Barr commented that parts of the state may not be aware of these employment opportunities, especially the long-term unemployed. He discussed confirming that those connections or opportunities are made available. Mr. Barr stated there will be further discussion on the matter.

Vincent Matteo discussed a program regarding the natural gas and oil industry. He will provide more information at the next meeting.

Patrick Henderson summarized by stating that Pennsylvania is hitched to the tailpipe emissions standards, and the ironic twist is it discourages the certification of biofuel vehicles, which is the bridge to natural gas vehicles. Mr. Henderson noted he was impressed with the presentation made by David Ross of EQT in regards to companies in Pennsylvania that provide critical components throughout the entire process, from manufacturing to infrastructure to fueling stations to constructing the vehicles themselves. He stated Pennsylvania has a significant business portfolio. Mr. Henderson discussed the uses of natural gas with transportation being at the forefront at a cost of around 93 cents per gallon. He was also impressed with the public health benefit of natural gas with regard to EPA air quality issues.

Richard Allan stated DCNR with its aging fleet of vehicles is developing a plan to use natural gas for vehicles through the parks and forest system in the near future.

C. Alan Walker remarked that the next subcommittee meeting will focus on the industrial side of gas cogeneration. He explained the impacts of switching to gas such as at the Proctor and Gamble Plant. His committee will focus on facilities that have actually converted from some other source of fuel to natural gas and cogeneration.

Chairman Cawley thanked all of the work groups for their presentations.

Marcellus Shale Coalition Presentation

Kathryn Klaber, President and Executive Director of the Marcellus Shale Coalition, addressed the Commission with a PowerPoint presentation entitled “Marcellus Works Briefing”. In explaining the principles of the coalition, she first focused on workplace safety, state of the art environmental protection, and seeking transparency of operations.

Ms. Klaber stated the group strives to attract and retain local workforce, encourages public dialog and fact-based education, conducting a standard of business in a manner that would provide sustainable and board-based energy security.

Ms. Klaber explained that natural gas and coal extraction plays a significant role with regard to Pennsylvania's energy future. She noted that shale gas over the next 25 years will be almost half of the overall natural gas produced in this country. Ms. Klaber discussed the unemployment rate throughout the Commonwealth. The advantages of using natural gas were delineated. There was discussion with regard to regulatory standards. Labor and Industry data concerning jobs was also discussed. Ms. Klaber explained that the Department of Revenue released numbers that demonstrate that this industry is paying taxes, which has generated close to \$1 billion in tax revenue.

Ms. Klaber focused on established revenue from leases for the Commonwealth. She noted for the Commission that the Marcellus Shale Coalition is partnering with Ben Franklin with regard to the Innovation Expo, which is part of the annual conference in Philadelphia. Both groups will be soliciting businesses with breakthrough technologies. She encouraged the Commission to direct people to that Innovation Expo.

Ms. Klaber explained that the coalition has a committee that works closely with PennDOT with regard to building and rebuilding roads. She noted that last year's spring thaw educated the coalition on these issues and how to proactively manage these issues. The coalition is reviewing ways to assure that there is an equitable sharing of the maintenance costs on those roads by the different industries. Ms. Klaber discussed pipeline safety as another important issue and noted the PUC's responsibility in terms of enforcement consistent with Federal laws and regulations.

With regard to environmental issues, Ms. Klaber has been serving on the Air Quality Technical Advisory Committee and has spent many hours working on the details of a very comprehensive set of air quality regulations to govern this industry. She noted that DEP has completed two studies to assess and demonstrate that the ambient paths are below the levels of concern. She stressed the importance to advance the process in order to establish an understanding of the transparency by those living in and around this industry's activity.

Regarding water quality transformational activity, it was noted that in the last 18 months the shale gas industry in this part of the country is a leader in terms of water recycling. Ms. Klaber stated the water quality issue as it relates to private water wells is one that has caused quite a bit of attention with 1.2 million private water wells in Pennsylvania having preexisting problems with the quality of its water. Ms. Klaber explained the efforts by the General Assembly to address water quality. It has gotten to a point where private water well standards separate the drinking water within those private water wells from the naturally occurring methane and other components in the surrounding area. Ms. Klaber estimated that well over 10,000 predrilled tests have been conducted, which is creating a database of the location of these private water wells. She noted it is a public

health contribution for private industry to pay for water well tests that may not have ever been tested, which is also creating the kinds of concerns seen in the communities.

It was reported that regulations such as the Chapter 78 Rules were passed, which put in place some of the most protective standards in the country. Another issue discussed was the preservation and enhancement of the land with regard to water well construction standards and liability issues.

Ms. Klaber discussed first responder training. There are over 1,000 first-responder volunteer fire departments for which several hundred thousand dollars in funding has been developed.

Ms. Klaber stated the industry hosted a transportation safety day last year. Transportation safety days are scheduled for this year in June in Southwestern, PA, and in September in State College. She noted that PennDOT has a direct access line to those people driving their trucks or supervising drivers with regard to road transportation throughout the communities.

Ms. Klaber discussed the local municipality regulations and where the industry stands right now with local ordinances. It was noted that in Pennsylvania, with its 57 counties and thousands of local municipalities, Marcellus lies atop 37 of those counties and 491 municipalities. There are 779 municipal zoning ordinances existing, which is incredible for any industry. As a result of a recent analysis of the ordinances, it was noted there are a number of municipalities that have adopted ordinances excluding completely any natural gas development within its boundaries. Some have banned natural gas extraction and others have banned stages of development. She noted that one community recently invited elected officials from 16 counties to a conference to discuss prohibiting drilling in a community.

Ms. Klaber explained imposing decibel limits with regard to noise restrictions, which unfairly are not applicable to any other construction activity. With regard to environmental restrictions, Ms. Klaber commented that municipalities are attempting to regulate features of the wells. Fees were noted to be perfectly reasonable.

In addition to natural gas extraction or fracturing, the ordinances also purport to strip corporations of their status under the Pennsylvanian and United States Constitution. If ordinances are overturned legislatively or judicially, the municipalities reserve the right to explore proceeding to higher levels of government.

Randy Smith questioned the amount of the 3,000 wells a year at \$13 million is retained in Pennsylvania. Mr. Klaber replied that there are 1,500 wells a year with another 3,000 in full production. She is updating the impact analysis and will evaluate the possibility of applying the macro data to Pennsylvania.

David Sanko questioned the state share versus local share. Ms. Klaber responded that that total rebuild of roads is decreasing over time and a relative amount will be

maintenance instead of construction. Mr. Sanko was curious as to whether the coalition would take any action to enforce existing state law, recognizing that a common sense approach has to be advocated without having a one size fits all imposed solution from Harrisburg. Ms. Klaber replied that the reason for this thorough analysis was to understand the situation, which is a superior method to address policy.

Nicholas Haden questioned the payment of DCNR leases and royalties. Ms. Klaber responded that there was an upfront bonus payment.

Jeffery Kupfer questioned the industry trends in the last six months. Ms. Klaber replied that there is acceleration and regular updates in order to keep up with changes.

Anthony Bartolomeo asked if any consideration has been given to checking for emissions from the piping systems using ancillary wells installed around production wells and also asked how many drilling companies, not members of the coalition, are not addressing issues aggressively. Ms. Klaber stated the coalition represents the top 20 drillers and would defer questions with regard to technical safety consideration. She did note the tremendous amount of preexisting methane naturally in the subsurface.

Ms. Klaber discussed the ordinances and amendments that would prohibit this type of operation. She has recommended that the committee look at every issue it has been dealing with and examine a crosscut variable, for example. It was noted there should be some incentive for municipalities not to enact with impunity flagrantly unconstitutional ordinances.

Ms. Klaber was asked to explain the level of water recycling with regard to fracking. She noted that the level of reuse in the last 18 month has really gone progressively higher, depending on the company's configuration of its wells and strategies to do that additional recycling.

Jeff Wheeland asked Ms. Klaber to discuss chemicals used during the fracking process. Ms. Klaber noted there is consensus within the coalition that disclosure of chemicals is fine. She feels the companies doing formulations on a regular basis acknowledge that using fewer compounds and using compounds with less toxic components is the proper technique.

It was noted the issue of pipeline safety is a concern of the infrastructure committee. Ms. Klaber noted there is legislation in both the House and Senate to develop guidelines that are most protective and most workable for the industry.

Ms. Klaber stated the quickest way to get a company into compliance with the law is to swap out boilers to burn a certain set amount of natural gas. She also suggested that there be a growing understanding by business communities and consumer advocates that the cost of this gas allows people to heat their homes in a stable and predictable manner.

Terry Engelder read a statement into the record regarding the distribution of noise with hydraulic fracture: He stated everyone understands when water flows in a pipe, it makes noise; when water is not flowing, it doesn't make noise. He referred the Commission to Ms. Klaber's diagram and discussed the depth at which the Marcellus drilling occurs and the height at which noise and flowing water rises above the Marcellus Shale during the fracking. Mr. Engelder explained the perceived risk that the fracked fluid from Marcellus Shale will somehow get into the groundwater and the surface water. He further explained how gases are released.

Public Water Supply Perspective

Nicholas DeBenedictis, Chairman and CEO of Aqua America, Incorporated, one of the oldest companies in Pennsylvania, addressed the Commission with regard to the public water supply perspective. Mr. DeBenedictis described the nature of the Aqua America business for the Commission. He discussed the advantages of the vast network of water resources to the Commonwealth and its use to attract economic development. Mr. DeBenedictis further commented on the nexus between water resources and energy development. He stated his company is ready to work with PA and noted a majority of the bigger companies all want to see this done right.

Mr. DeBenedictis explained availability of water, safety of water, and sustainability are three crucial areas with regard to water supply. He noted that Aqua America has conducted background testing and additional testing at the request of DEP. He explained that his company has found no indirect impact on the drilling. Mr. DeBenedictis had further discussion with regard to private wells and septic systems.

Mr. DeBenedictis discussed water recycling risks as it concerns both the water delivery side and the wastewater side. He made reference to the smaller communities impacted by the operation and commented on areas along major roadways with stagings for water trucks, which would register the amount of water taken. Mr. DeBenedictis answered questions from the Commission regarding contamination as it concerns drinking water, costs, testing, and educating the public on safety issues. Pipelines were discussed as an issue to be addressed by independent companies.

Mr. DeBenedictis was Chairman of the AWWA Technical Advisory Group at the time of the enactment of the 1996 Drinking Water Act and the imposition of the regulations by EPA with regard to the Act. He noted that providing safe, treated drinking water has done more for public health than all the antibiotics or medicine.

Mr. DeBenedictis remarked that his company's customer services section has access to the expertise of its laboratory personnel for any water quality question. He noted that 99.9 percent of the company's customers trust and believe in the company. Their questions can be answered intelligently and satisfactorily.

Mr. DeBenedictis answered questions with regard to the responsibility for cleanup should there be major contamination, specifically a cleanup fund. It was noted that 90 percent of money is spent in legal battles and 10 percent in cleanup. A backup fund would not be necessary. Mr. DeBenedictis commented that salt on roadways this past winter was one of the biggest threats impacting the water quality of water sources. He noted that watershed personnel were taking samples to track down what road sections or shopping centers or parking lots were contributing the greatest impact.

Lunch

The Commission recessed for lunch from 12:42 p.m. until 1:25 p.m.

Marcellus Works Legislation

Representative Stan Saylor, Majority Whip, PA House of Representatives, addressed the Commission with regard to maximizing economic potential of natural gas by creating markets for its use in Pennsylvania. Representative Saylor recently introduced a package of bills called Marcellus Works.

Representative Saylor is attempting to create a legislative package designed to bring natural gas vehicles into use here in Pennsylvania by creating a policy that relies on Pennsylvania resources and not foreign resources. He discussed what the use of Pennsylvania's natural gas will mean to all taxpayers in Pennsylvania. He compared the effects of natural gas to gasoline. Representative Saylor noted there are about 110,000 natural gas vehicles on the road with approximately 1,000 natural gas fueling stations.

Representative Saylor explained dedicated CNG (compressed natural gas) or (LNG) liquefied natural gas vehicles, GGE (gasoline gallon equivalent) of natural gas, and as well as the fuel efficiency of gasoline diesel and natural gas.

There was discussion with regard to a return on investment by referring the Commission to the heavy trash truck example noted in the package. He explained there would be a quick two-year recovery cost for one trash truck and similar recovery costs for buses. Representative Saylor remarked the package of bills is totally dedicated to heavy vehicles.

Representative Saylor noted that the legislative package focuses on economic viability. Principles such as leveraging private financing and incubating new business have been applied as well as private investment of companies. He stated that a number of interstates are now eligible to become corridors in Pennsylvania. Representative Saylor referred to House Bill 1083, which offers tax credits according to a ranking of the applications. Representative Kathy Watson's House Bill 1085 offers a one-time transfer from the oil and gas lease fund. He noted that SEPTA is entering into a contract to buy diesel hybrids and will be saving millions of dollars by switching from diesel to natural gas.

Representative Saylor referred to Representative Dan Moul's House Bill 1084, which is a \$5 million one-time transfer from the oil and gas lease fund for the smaller mass transit fleets. Representative Jim Marshall's House Bill 1086 is in regard to the large mass transit fleets. Representative Saylor also referenced Tina Pickett's House Bill 1088 which reworks the alternative fuel incentive fund and grants covering incremental costs. Minimum daily fuel usage with regard to the Keystone Fuel Incentive Fund was next discussed. Representative Saylor also wanted to note that there is a maintenance savings with regard to natural gas vehicles as they require a lot less maintenance than diesel engine vehicles. There was discussion as to what entities would be eligible for the Keystone Fuel Incentive Fund, which includes taxis as well. It was noted that grants will also drive up the demand for personal vehicles, which will in turn drive down the production costs in the long run.

Representative Gordon Denlinger's House Bill 1087 demonstrates a comprehensive plan to build one or more natural gas fueling stations or to add compressed natural gas fueling capacity to one or more existing stations which sells gasoline or a combination thereof. With regard to the natural gas corridor tax credit, ranking will be according to the total number of stations proposed to be built along a single eligible corridor. There was also discussion with regard to Representative Scott Perry's House Bill 1089, which repeals the CARB (California Air Resource Board) regulation.

Questions from the Commission followed Representative Saylor's presentation. Representative Saylor responded to a question regarding the likelihood that this package will not be passed by stating he cannot predict what will happen. He is working with administration to make sure this package is economically viable in Pennsylvania. Representative Saylor discussed the advantages to the Port Authority, municipal authorities, school bus managers, and school boards by this package.

Christopher Masciantonio asked Representative Saylor whether a private sector firm would be eligible for incentives if the firm is already in the process of building a fueling station or converting its fleet. Representative Saylor replied that the package would not be retroactive to its passage. Representative Saylor commented that new jobs are being created in Pennsylvania by the new stations being opened and companies converting their vehicles over.

There were comments on CNG maintenance facilities converting to compressed natural gas facilities and the associated costs. Representative Saylor expressed his willingness to further discuss this matter.

Member Discussion

Mike Krancer, Acting Secretary, DEP, commented regarding the transition to natural gas school buses. He anticipates the air will be a lot cleaner in the future.

Richard Allan, Acting Secretary, DCNR, discussed the projection of revenue and the use of fracking material other than water. He noted that DCNR has a centralized fueling area that would need natural gas.

George Greig, Acting Secretary, Department of Agriculture, stated the educational component of hydraulic fracturing should be one of the more important elements coming from the Commission.

Gene Barr, VP, Government and Public Affairs, noted at this point it appears that this development is being done in an environmentally protective manner. He encouraged further analysis.

There was a comment that the industry itself is geared towards the same direction as the Marcellus Shale Coalition. Hopefully a broader basis will be developed for an across-the-board educational-based process to dispel the concerns of the public.

Terry Engelder, Professor of Geosciences, Penn State University, remarked that one of the unintended consequences of the presence of the gas industry in Pennsylvania is the quality of private drinking water, in particular in rural wells. He encouraged the education of the rural public with regard to the quality of their drinking wells.

Robert Powelson, Chairman, PUC, commented that Pennsylvania is the fourth largest coal producer in the country with 48 percent of its power supplied to business. He noted that Pennsylvania has done well with regard to compliance dating back to 1996. Mr. Powelson emphasized the importance of gas safety legislation. He also noted that Pennsylvania is embarking on dialog right now to build a world-class training facility in Pennsylvania to train gas safety inspectors all over the Mid-Atlantic corridor. Safety should be first and foremost in everybody's mind.

Christopher Masciantonio, General Manager, State Government Affairs, U.S. Steel, commended Chairman Cawley and his staff on doing a great job.

Ray Walker, Senior VP and Chairman, Marcellus Shale Coalition, commented the industry envisions a science-based and fact-based analysis.

Jeff Wheeland, Lycoming County Commissioner, reminded the Commission that communities are in opposition. He noted the issues must be addressed before July 22, 2011.

Cynthia Carrow, VP, Government and Community Relations, Western PA Conservancy noted her surprise by Nicholas DeBenedictis' comments.

Terry Bossert, VP, Office of Government and Regulatory Affairs, stated there are real problems and issues to be addressed. He stated many of the issues being discussed are necessary components for economic growth.

There was a comment that residents should be informed of the processes in order to gain public support.

It was suggested that public health issues be the top priority for the Commission's deliberations being that the data already exists with regard to substances being managed and produced in the Marcellus Shale industry. Supplemental studies by medical professionals were suggested to establish a database of knowledge to deal with public health issues in a timely fashion.

There was discussion with respect to perception versus actual facts. Education with regard to testing and a description of ongoing efforts would be helpful for the public to more clearly understand the process.

Nicholas Haden, VP, Reserved Environmental Services, had positive comments regarding Mr. DeBenedictis' presentation before the Commission. He emphasized that the information was very matter of fact. He stated the meeting was filled with good old fashioned facts and figures.

David Sanko, Executive Director, PA State Association of Township Supervisors, stated there was a consensus around the table with regard to fact and fiction.

Randy Smith, U.S. Government Affairs manager, Exxon Mobile, suggested that the Commission brief the Pennsylvania delegation once the report is finished.

Vincent J. Matteo, President, CEO, Williamsport-Lycoming Chamber of Commerce, noted the concern with regard to private wells. He suggested that people should get their wells tested within 100 miles of a fuel site. He reiterated questions from concerned high school students with regard to the process.

Lt. Governor Jim Cawley, Chair, had the opportunity to attend a meeting of high school students. One student thanked him for being there. The student listened to everything he had to say but still believed the water was being poisoned. Chair Cawley commented that the truth of the matter is not getting out. He explained that people believe what is being reported by the different media sources. He stated the benefits of the Marcellus Shale project are not being understood by the Commonwealth.

Another noted misconception of the public is that the project will only be for five to six years and then will be gone.

Chris Helms, NiSource Gas Transmission and Storage, emphasized the need to not confuse fact with perception. He feels it goes back to what institutions the public trusts and don't trust. He suggested it is going to take everyone addressing these very emotional issues in a straightforward way. Mr. Helms anticipates the reliance on natural gas will be greater a decade from now than it is today.

Matthew Erhart, Executor Director, Chesapeake Bay Foundation, Harrisburg Office, commented with regard to maintenance of private drinking water wells. He noted a concern with regard to fracking into aquifers. Mr. Erhart stated the State's academic institutions have good educational materials regarding this subject.

Barry Schoch, Acting Secretary of the Department of Transportation, commented on the economic benefits for the State. He stated the public has spent a lot of time commenting in person and on the website. Mr. Schoch stated the communities' concerns will be addressed and questions will be answered.

Public Comment

Public comment was received from 2:30 p.m. until 2:55 p.m.

Meeting Adjournment

The May 20, 2011 meeting of the Marcellus Shale Advisory Commission was adjourned at 2:56 p.m.