

**Comments to Environmental Quality Board on Proposed Chapter 78 Regulations  
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The Marcellus Shale Coalition (MSC) is a trade association working with regional partners since 2008 and comprised of nearly 300 member companies committed to developing clean-burning natural gas resources. The MSC operates under a set of Guiding Principles, which includes participating in public dialogue and fact-based education about responsible shale gas development. Since our founding, we have worked with numerous organizations to educate residents, businesses, and public officials on the benefits of natural gas development.

As the birthplace of oil, Northwestern Pennsylvania is well-positioned to capitalize upon shale development. With our partners, we are working to support this development to the benefit of local communities. Organizations such as the Northwest Commission, Oil Region Alliance, Titusville Redevelopment Authority, and the Economic Progress Alliance of Crawford County have begun to dedicate resources to loan programs or offer technical support to help local businesses expand and meet the needs of the oil and gas industry.

We also work with elected officials to help them understand and plan for shale development. This effort is vitally important as our state has over 2500 separate municipalities. This fragmentation has long been recognized as a significant obstacle for sustainable development. Most recently Fitch Ratings noted that the decentralization of regulations would be an impediment to revenue growth for municipal budgets in Pennsylvania.

[https://www.fitchratings.com/gws/en/fitchwire/fitchwirearticle/Growing-US-Local?pr\\_id=812905](https://www.fitchratings.com/gws/en/fitchwire/fitchwirearticle/Growing-US-Local?pr_id=812905)

Natural gas development will ensure the ongoing vibrancy of other industry sectors that are the backbone of Northwestern Pennsylvania regional economy. Crawford County with over 18% of its workforce employed in the manufacturing sector in particular stands to capitalize upon the availability of a reliable and affordable energy supply that is reviving manufacturing across our nation.

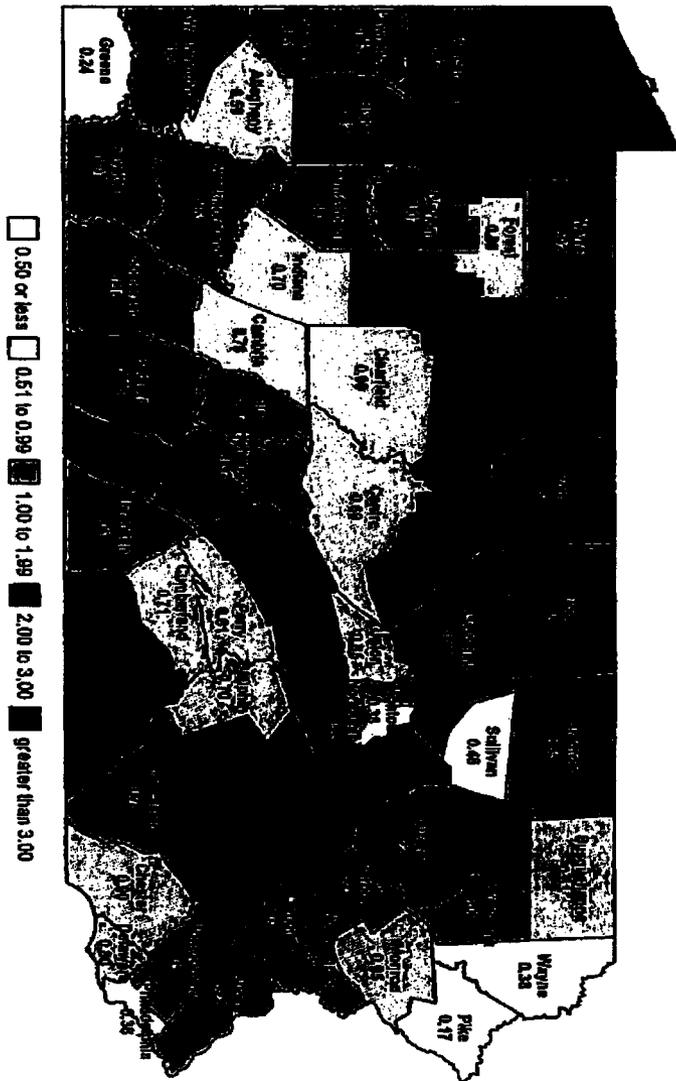
We need to ensure that Pennsylvania's regulatory process is predictable. Our regulatory environment and uncertain fiscal climate have positioned us behind other areas in terms of attracting capital investments in oil and gas. Other states and countries have strict regulatory standards but receive a more favorable rating for oil and gas investments according to The Fraser Institute, which found that Pennsylvania's regulatory and tax climate are a major deterrent for "attracting oil and gas investment." <https://www.fraserinstitute.org/research-news/news/display.aspx?id=20590>

Our state is recognized for having some of the nation's strongest regulations on oil & gas development. We do not need onerous rules but rather we must continue to invest in a highly-trained and competent local workforce. We encourage the DEP to continue working with industry to support technical trainings for industry and agency personnel.

The MSC is concerned that some of the proposed regulatory changes to Chapter 78 provide little to no additional benefit for our natural environment and will weaken Pennsylvania's ability to sustain shale development to benefit our residents.

# MANUFACTURING LOCATION QUOTIENT COUNTY MAP<sup>1</sup>

County vs. US



<sup>1</sup>Based on 2013 March QCEW Employment.

# PA MANUFACTURING QUARTERLY WORKFORCE

## INDICATORS - DEMOGRAPHICS BY EDUCATION LEVEL<sup>1</sup>

311	Food Mfg.	15.8%	37.6%	30.1%	16.5%
312	Beverage & Tobacco Product Mfg.	11.5%	37.1%	32.8%	18.5%
313	Textile Mills	13.7%	39.1%	29.3%	17.9%
314	Textile Product Mills	14.7%	41.7%	29.0%	14.6%
315	Apparel Mfg.	18.4%	36.0%	27.8%	17.8%
316	Leather & Allied Product Mfg.	16.1%	42.7%	28.1%	13.1%
321	Wood Product Mfg.	15.2%	43.1%	28.8%	13.0%
322	Paper Mfg.	10.7%	39.9%	31.9%	17.5%
323	Printing & Related Support Activities	10.0%	38.1%	32.5%	19.4%
324	Petroleum & Coal Products Mfg.	8.1%	34.1%	31.2%	26.6%
325	Chemical Mfg.	8.3%	27.7%	30.4%	33.6%
326	Plastics & Rubber Products Mfg.	12.7%	39.7%	30.9%	16.7%
327	Nonmetallic Mineral Product Mfg.	12.0%	40.5%	30.1%	17.4%
331	Primary Metal Manufacturing	10.4%	39.7%	31.9%	17.9%
332	Fabricated Metal Product Mfg.	11.4%	40.4%	31.5%	16.6%
333	Machinery Mfg.	9.7%	38.6%	32.0%	19.7%
334	Computer & Electronic Product Mfg.	8.5%	33.3%	32.2%	25.9%
335	Elec. Equip., App., and Component Mfg.	10.7%	36.8%	31.9%	20.6%
336	Transportation Equip. Mfg.	10.3%	35.7%	31.4%	22.6%
337	Furniture & Related Product Mfg.	13.2%	40.8%	30.1%	15.9%
339	Miscellaneous Mfg.	10.4%	35.4%	32.1%	22.1%

Source: US Census Bureau; Local Employment Dynamics

For 2012 Quarter 4:

- Chemical Manufacturing had the highest percentage of workers with at least a bachelor's degree (33.6%), followed by Petroleum & Coal Products Manufacturing (26.6%), and Computer & Electronic Products Manufacturing (25.9%).
- Apparel Manufacturing had the highest percentage of workers with less than a high school diploma (18.4%), followed by Leather & Allied Product Manufacturing (16.1%), and Food Manufacturing (15.8%).
- Overall, approximately 89% of individuals working in manufacturing in Pennsylvania have at least a high school diploma, and more than half have completed education beyond high school.

<sup>1</sup>Please note these education levels apply only to Local Employment Dynamics Data, and do not correspond to the educational attainments in the definition section of this document.