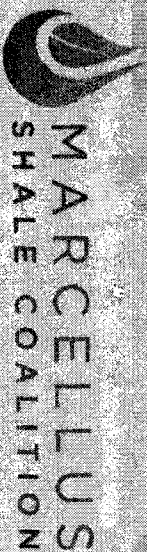


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February 23, 2012

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Environmental Quality Board
P.O. Box 8477,
Harrisburg, PA
17105-8477

**Re: Proposed Rulemaking
25 PA Code, Chapter 105
Dam Safety and Water Management Fees**

These comments are submitted on behalf of the Marcellus Shale Coalition (MSC), a regional trade association with a national membership. The MSC was formed in 2008 and is currently comprised of approximately 300 producing and supply chain members who are fully committed to working with local, county, state and federal government officials and regulators to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, transmission, and gathering in the country, as well as the suppliers and contractors who service the industry.

The MSC hereby provides comments within the 30 day notice period on the proposal concerning Dam Safety and Water Management Fees published in the January 28, 2012 edition of the PA Bulletin.

Although the fees have not been adjusted since 1991, some of the proposed changes would result in dramatic increases. For example, individual obstruction and encroachment permit fees are currently in the range of \$100 to \$350, depending on the activity. The proposed fees will be \$1,750 plus an additional charge based on the acreage disturbed. This is an order of magnitude increase in fees. The effect on industry is compounded if one considers this period of historically low gas prices and the recent passage of Act 13 of 2012, which imposes significant new impact fees on unconventional natural gas resources.

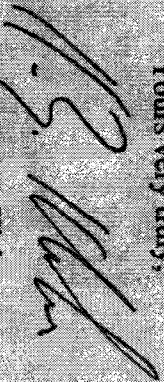
If new fees are implemented, it is imperative that any increased fee revenue be dedicated to hiring competent technical staff to review and issue permits, to provide training and program evaluation procedures to ensure efficient, predictable and timely permit reviews and decisions, and to dedicate resources to put electronic permitting in place. Industry experts and Pennsylvania Department of Environmental Protection (DEP) staff have strongly recommended using additional fee revenue to expedite the development of an electronic permitting process. The MSC has dedicated professionals ready to assist the Commonwealth in expediting this important initiative.

The MSC recommends that the DEP use any increased fee revenue to develop revised and new General Permits (GPs) for similar classes of activities that can be conducted in a consistent manner. Many of the current GPs have not been updated or modernized in many years. Improving outdated GPs and developing new GPs would result in a more efficient and timely permitting process that would not compromise environmental protection or public safety. The MSC recommends the establishment of firm processing timelines for permits relating to water obstruction and encroachment. We request that the review period for GPs must not exceed 45 days, and for those activities not covered by a GP, the review period must not exceed 90 days. The introduction of certainty in the approval process would be a fair and reasonable expectation in return for any increase in the fee structure.

It is important that any new fees be adjusted such that permit application fees are payable by Federal, State, county, municipal agencies and authorities. This is an issue of fundamental fairness that spreads the real program costs over the entire group of applicants and permittees, not just the private sector.

We appreciate your consideration of our comments and would welcome an opportunity to work collaboratively with the DEP to improve the processes as described above.

Yours very truly,



Kathryn Z. Klaber

President