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## Marcellus Shale presents potential economic boost for region

By Amy Philips Haller For The Almanac [writer@thealmanac.net](mailto:writer@thealmanac.net)

The Marcellus Shale natural gas deposit has the potential to fuel Pennsylvania's economy with tax dollars, new jobs, land lease payments and royalties.

A Penn State study (funded by the Marcellus Shale Coalition) projects large numbers. Tax dollars via the industry business activities are already predicted to be close to \$800 million in 2010.

As for land leases, Matt Pitzarella, director of Public Relations for Range Resources, threw out an astonishing number. "Just in Washington County, we have written checks to landowners and businesses in excess of \$700 million in two years," explained Pitzarella. In addition to a one-time lease fee payment, state law mandates that gas rights owners receive at least 12.5% in annual royalties. Payments begin once the gas starts flowing, and until it runs dry.

John Smith of Smith Butz Law, and Cecil Township solicitor, clarified, "Please note that while people use the term 'mineral rights' when speaking about gas rights, pursuant to Pennsylvania law, 'minerals' do not include 'gas.' If you sell your land and reserve all of your 'minerals' you have not reserved your gas, it went with the sale." He continued, "If the surface owner and gas owner are one in the same, a lease is an absolute necessity before a gas company gains any surface or subsurface rights to the property. A landowner can seek appropriate safeguards and protections in their lease, potentially including the most advantageous position of a non-surface lease. A non-surface lease allows an individual's gas to be removed, but denies the gas company the right to use the individual's surface land to access the gas. With the advent of horizontal drilling, gas companies are at times willing to accept a non-surface lease..."

"We call this an old fashioned stimulus package, it is all private dollars that create jobs," stated, Pitzarella. "There are 53 Marcellus related energy companies located at Southpointe." In 2007, the number of employees at Range Resources was near zero. "We have more than doubled our workforce since last year--and could double again next year to nearly 600 employees." There are 5,000 people in southwestern Pennsylvania who now work directly and indirectly [sub contractors] for Range, "...and those job numbers should also double by the end of next year."

Pitzarella pointed out, "Many industries are dependent on gas: plastics, glass, metals, etc." As a result, major companies are considering building plants here."

Pennsylvania workers can take advantage of the job market. Michelle Pusateri, Supervisor, Workforce Development & Planning for Consol Energy explained, "Local technical schools and community colleges often offer courses for basic skills enhancement for the oil/gas industry: Penn State Fayette offers a two-year Associates Degree in Mining Technology; and other training organizations offer MSHA and OSHA courses for certification in industry safety. When a candidate can educate themselves on drilling, mining, or the energy industry in general, it is win-win for everyone."

Pitzarella added, "We have a workforce and development program that we launched at Vo-Tech. There is a track for high School students and displaced workers." The adult program takes eight weeks to complete. "Graduates can work at an entry level position, averaging \$75,000 a year plus benefits and retirement."

Pusateri continued, "The majority of our open positions are technical in nature. Most often we find ourselves looking for candidates with degrees in Engineering/Engineering Technology and two-year technical degrees." Geologists are also in strong demand.

At a recent job summit held by the Marcellus Shale Coalition, Human Resource panelists explained that many companies are also willing to train the right person. Other desirable expertise includes legal knowledge, interpersonal skills, safety training, and real estate backgrounds. Class A truck driver openings are also at an all time high.

"Salaries range from the mid-\$40,000 to very high, but the average salary is almost \$80,000 a year with full benefits. Jobs range from blue collar to advanced technical degrees--it's a very broad spectrum," explained Pitzarella.



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Interested applicants should go to [www.marcelluscoalition.org](http://www.marcelluscoalition.org), and visit individual company links. Candidates are strongly encouraged to apply online.

"Due to the large volume of open positions and interested candidates, it is vital that we house all of our applications in one place," commented Pusateri. "As far as a delay in response is concerned, no news is good news...If a candidate has not received a rejection or disqualification notice via e-mail it means that they are still in consideration."

**White Pushes Pennsylvania Workers with Proposed Bill**

State Representative Jesse White recently introduced a bill designed to give Pennsylvania a competitive advantage in the Marcellus Shale job market. According to a recent press release issued by his office, "House Bill 2606 would give natural gas companies that drill in the Marcellus Shale an incentive for hiring Pennsylvania workers by allowing them to apply for a \$2,500 Pennsylvania Marcellus Shale tax credit for each resident it employs. Under the bill, companies could only apply for residents that have completed a qualified apprenticeship training program approved by the state Department of Labor and Industry.

Additionally, at least 75 percent of a company's workforce would have to be state residents in order to be eligible for the tax credit. Each company also would be required to submit to the department an application for the tax credit, along with a copy of its Department of Environmental Protection-issued drilling permit.

Companies also would have to present a signed statement certifying that it will employ residents for which it received a tax credit for five years.

White said under the bill, \$25 million would be set aside each year for the Department of Labor and Industry to administer the tax credits."

Visit [www.pahouse.com/white](http://www.pahouse.com/white) to learn more about the bill or contact White's office at 724.746.3677.


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