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Groups Miles Apart in Assessing Economic Benefits of Marcellus Shale Drilling

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Marcellus Shale Law and Policy Update

The economic benefits of natural-gas drilling in the Marcellus Shale are a fraction of what drillers claim, according to a recent statement from a Harrisburg-based think tank. A group of drillers, the Marcellus Shale Coalition, responded to the statement with a list of employment and tax data supporting their contention that the drilling is responsible for an economic boom in many regions of the state.

Clashes between the two groups are heating up, as lawmakers are anticipated to consider legislation to impose a fee on drillers. The revenues from the fees would likely be split between local governments hosting the drilling and environmental protection funds.

The Keystone Research Center issued a statement, saying that between late 2007 and 2010, the Marcellus Shale boom created fewer than 10,000 new jobs in Pennsylvania, "much less than the 48,000 figure reported in recent news stories, statements and commentaries."

The statement noted that those recent reports with claims about Marcellus Shale job creation rely on data about "new hires," which are not the same as new jobs. "New hires" track additions to employment, but not separations due to resignations, firings or replacements.

"The number of new hires by itself tells half the story and is not a meaningful indicator of job creation," said Stephen Herzenberg, Ph.D., executive director of the Keystone Research Center. "You have to also look at the number of people who leave jobs."

Kathryn Klaber, president and executive director of the Marcellus Shale Coalition, issued a [response](#) on the Marcellus Shale Coalition website that the statement from Keystone was "yet another thinly-veiled, politically-timed attack on an industry that is creating family-sustaining jobs for men and women across the Commonwealth."

Other excerpts from the published statement are as follows: "According to the Department of Labor and Industry, unemployment in counties with Marcellus development remains below the state average. Along Pennsylvania's Northern Tier, where development is most concentrated, employment has jumped 1,500 percent since the end of 2007. Furthermore, Marcellus operators are investing billions of dollars into Pennsylvania's economy—from constructing state-of-the-art operating facilities, to building new offices, to leasing land for responsible development and driving economic growth in our rural communities."

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