

RESOLUTION OPPOSING A SEVERANCE TAX ON NATURAL GAS

WHEREAS, the Marcellus Shale is a natural formation found beneath about 60 percent of Pennsylvania's total land mass and is buried at depths of up to 9,000 feet. The Marcellus Shale is the largest unconventional natural gas reserve in the world; and

WHEREAS, the Marcellus Shale formation has the potential of holding at least 489 trillion cubic feet of recoverable natural gas, enough to fuel the United States for the next 20 years; and

WHEREAS, natural gas production from the Marcellus Shale will pump \$14.17 billion into the state's economy in 2010 and create more than 98,000 jobs, while generating \$800 million in state and local tax revenues; and

WHEREAS, Pennsylvania currently imports approximately 75% of its natural gas consumption. If Marcellus Shale activity continues as expected, Pennsylvania could reverse its position as a natural gas importer to a net natural gas exporter by 2014.; and

WHEREAS, Governor Ed Rendell has again proposed the imposition of a severance tax on natural gas production in Pennsylvania; and

WHEREAS, a natural gas severance tax would have unintended consequences such as reduced drilling activity by more than 30 percent and leading to a net loss of \$800 million in state and local taxes, plus thousands of lost jobs; and

WHEREAS, Pennsylvania cannot afford to lose this revenue or good paying jobs while the national economy is struggling; and

NOW THEREFORE BE IT RESOLVED, that Tioga County Association of Boroughs hereby opposes House Bill 1489 and any other bill imposing a natural gas severance tax until such time as the drilling costs have been recovered in the Pennsylvania General Assembly; and

BE IT FURTHER RESOLVED, that copies of this resolution be conveyed to the State Senator and State Representative that represents this borough community in the Pennsylvania General Assembly; and

BE IT FURTHER RESOLVED that a copy of this resolution be sent to our statewide advocate, the Pennsylvania State Association of Boroughs to request it be considered for inclusion in its' 2010 policy resolutions.

ATTEST:

Tioga County Association of Boroughs

Lou Ann Hart

Carl E. Coy
President T.C.A.B.