

**Statement of
Michael DiBerardinis
Secretary
Pennsylvania Department of Conservation and Natural Resources
Before the
Senate Environmental Resources and Energy Committee
April 1, 2008**

Chairman White and members of the Senate Environmental Resources and Energy Committee, I want to thank you for your quick response to our request for this informational session, and for the opportunity to provide an update on our position on natural gas development on state forest lands in Pennsylvania.

Pennsylvania's state forest represents one of the largest expanses of public forestland in the eastern United States, making it a truly priceless public asset. We enjoy forest ecosystems that provide clean water, recreation opportunities, plant and animal habitat and valuable products – all critical to healthy and sustainable communities.

In 1995, with increasing pressures on the state forest of all types, DCNR's Bureau of Forestry initiated a strategic planning effort to address the issue of long-term sustainability. The foundation of this strategic plan was a commitment to manage the state forest using the principles of ecosystem management. Several years later, we underwent an independent third-party review conducted by Scientific Certification Systems, based on the forest management principles established by the Forest Stewardship Council. This review resulted in an

extensive report and the 1998 "certification" that the state forest was "well managed" in a way that protects its long-term health.

Our annual re-certification from this independent, third-party continues to validate we are managing our forests sustainably.

Based on the strategic planning process and the certification, DCNR updated the State Forest Resource Management Plan in 2003. One of the concerns raised following the release of the plan was the proposed restrictions placed on future shallow gas leases on state forest lands.

DCNR conducted a series of public meetings around the state last year to collect comments on a five-year update to the plan. Gas leasing restrictions were among the many issues discussed during those meetings.

Since 2003, DCNR has worked with stakeholders to develop a natural gas policy for the state forest that first and foremost satisfies our commitment to conserve the forest resource; that recognizes the competing interests that use the state forest; and, that is responsive to the commonwealth's energy concerns.

During my budget hearings last month, there were questions asked about natural gas development. There also is an increasing interest in additional gas drilling on the state forest because of demand for natural gas, and prices that have increased drastically over the past several years.

Today we are announcing a position on natural gas development on state forest lands that focuses on deep and medium gas for future lease sales. In certain instances, limited shallow gas drilling would be allowed if opportunities are found during the development of deeper gas fields, or on a case-by-case basis.

In keeping with our historical practice of leasing for gas development, DCNR also plans to accept competitive bids some time in late summer for a lease of up to 75,000 acres of state forest lands for gas extraction, to respond to increased interest in the Marcellus Shale formation and the natural gas reserves many believe it contains.

Oil and gas development on state forest lands is a volatile issue with many people holding strong opinions for and against it.

Our proposal enables DCNR to proceed cautiously. It balances our legislative requirement to provide for the economic use of mineral resources under the state forest while also sustaining those forests and their ecological, recreational and cultural benefits for present and future Pennsylvanians.

Oil and gas utilization is a part of DCNR's history and will continue to be a part of its future in helping to provide both clean energy and economic returns that are invested back into forest and conservation initiatives.

Chairman White and members of the committee, thank you for your interest in our state forests. I will now ask DCNR Deputy Secretary Jim Grace to give a more detailed presentation.