Dr. Graham Spanier President, Pennsylvania State University 0201 Old Main University Park, PA 16801

June 4, 2010

Dear President Spanier,

The Responsible Drilling Alliance calls on Pennsylvania State University to publicly disavow the two papers funded by the Marcellus Shale Coalition, <u>An Emerging Giant published last July and its newer version The Economic Impacts of the Pennsylvania Marcellus Shale Natural Gas Play: An Update published May 25, 2010.</u>

On two separate occasions, the Pennsylvania Budget and Policy Center counseled law makers to disregard the conclusions of these two "Penn State studies" because of their funding and bias. The Pennsylvania Department of Labor and Industry produced a parallel study on employment, Marcellus Shale Industry Overview, which estimated only a small fraction of the touted jobs. Neither Pennsylvania College of Technology's Marcellus Shale Workforce Needs Assessment nor Penn State Cooperative Extension's Potential Economic Impacts of Marcellus Shale in Pennsylvania supports the exaggerated claims of these two industry funded papers.

It is completely inappropriate, Dr. Spanier, that Pennsylvania's flagship university would allow its reputation to be used to support the gas industry's positions by dressing them up as independent research. These completely biased works greatly exaggerate the economic potential of gas exploration and are distorting the legislative process.

The "Penn State Reports" are being used to dissuade the legislature and the governor from enacting a severance tax and to argue against regulations which would protect the health of Pennsylvania's citizens and its environment. Penn State's compliance with this deception is costing the citizens of Pennsylvania dearly.

It is difficult to understand why Penn State's name and shield would be on the cover of a document that carries this disclaimer: "Neither the Department of Energy and Mineral Engineering at Penn State nor the Marcellus Shale Coalition, nor any person acting on behalf thereof, makes any warranty or representation, express or implied, with respect to the accuracy, completeness or usefulness of the information contained in the report"

Nevertheless, the Marcellus Shale Coalition used Penn State in this press release dated May 25th: "Visitors to the new website can also access the updated Penn State report

detailing the enormous economic impact that responsible shale gas exploration is having on Pennsylvania."

This is dirty business, Dr. Spanier, and it is time for Pennsylvania State University to cleanse itself.

Drake Saxton
President of the Board

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CC. Pennsylvania State University, Board of Trustees CCI. Open Letter