



# Fracking and the Revolving Door in Pennsylvania

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## Acknowledgements

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# Executive Summary

The oil and gas industry frequently argues that fracking means jobs. This appears to be especially true for former regulators and other public officials in Pennsylvania, many of whom have taken lucrative jobs working for the industry.

This report documents the revolving door between government and the gas industry in Pennsylvania, where numerous top government officials and environmental regulators have either left their public jobs for careers in the oil and gas industry or come to government from the private sector. The report is based on extensive research on the career trajectories of dozens of public officials, with a focus on the executive branch and the Department of Environmental Protection (DEP) in particular.<sup>1</sup>

The revolving door trend in Pennsylvania raises questions about whether regulators are serving the public interest or private industry interests in their oversight of fracking.

The following are major findings from the report:

- **Pennsylvania's previous three governors have strong ties to the natural gas industry.** Tom Ridge's firms benefited from a \$900,000 contract to lobby for the Marcellus Shale Coalition, Mark Schweiker joined a lobbying firm with a Marcellus Shale practice, and Ed Rendell is a partner in a private equity firm invested in fracking services companies and recently lobbied on behalf of driller Range Resources. Current governor Tom Corbett also has strong ties to the industry – he received more than \$1 million in campaign contributions from the oil and gas industry and previously worked as a lawyer for Waste Management, which is active in the Marcellus Shale.
- **Every Secretary of Environmental Protection since the DEP was created has had ties to the natural gas industry.** Jim Seif is now a principal and energy consultant at Ridge Global LLC, one of former governor Ridge's firms that lobbied for the Marcellus Shale Coalition; David Hess is now a lobbyist at Crisci Associates and has gas industry clients; Kathleen McGinty has served on the boards of two energy companies, is managing director of a consulting firm that is part of the Marcellus Shale Coalition, and is a partner in former Governor Rendell's private equity firm; John Hanger is now special counsel to a law firm that represents every segment of the natural resources industry; and Michael Krancer is former general counsel at a utility that relies on natural gas and a former partner at a law firm member of the Marcellus Shale Coalition.
- **Twenty Department of Environmental Protection employees have held jobs in the energy industry either before or after their agency jobs.** Former high-level staffers include Terry Bossert, who has worked for three law firms that represent the energy industry before being hired as a vice president at Chief Oil & Gas; John Hines, a former Executive Deputy Secretary, who is now a government relations advisor to Shell; and Barbara Sexton, a former Executive Deputy Secretary who is now a government affairs director at Chesapeake Energy.

While media outlets have written about some of these connections independently, such as Gov. Ridge's Marcellus Shale Coalition lobbying, this report is the first extensive look at the revolving door between the gas industry and all of the Pennsylvania government entities responsible for its regulation. In preparing this report, PAI found several striking revolving door connections that have previously gone unreported:

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<sup>1</sup> For more, see "Methodology" in the Appendix.

- **Former Gov. Ed Rendell and his Environmental Protection Secretary Kathleen McGinty have a financial stake in companies servicing the fracking industry.** Rendell and McGinty are operating partners in Element Partners, a private equity firm that invests in the energy sector. Several of the companies serve the natural gas industry, such as 212 Resources, Agility Fuel Systems, and Environmental Drilling Solutions.
- **Secretary of Environmental Protection Michael Krancer's Executive Deputy Secretary for programs is now a lobbyist for Shell.** John T. Hines, the author of a 2011 leaked e-mail revealing a new DEP policy requiring Krancer's approval of all notices of violation in the Marcellus Shale, is now a government relations advisor for Shell Oil Company.
- **Husband and wife Eric and Sarah Battisti left the Rendell administration to lobby for the gas industry.** While Sarah Battisti's departure for BG Group was noted in the press, it was not reported that her husband, Eric Battisti, a senior deputy secretary to Rendell, left to work for Buchanan Ingersoll & Rooney where he lobbies for EQT and Williams Companies.
- **Several prominent law firms that are destinations for regulators and public officers after they leave government are members of the Marcellus Shale Coalition.** Buchanan Ingersoll Rooney, K&L Gates, and Blank Rome are three of the most renowned law firms in Pennsylvania, and many regulators and public officers are hired after leaving government or come to government from one of the three firms. All three also lobby for companies engaged in fracking and are members of the gas industry advocacy group, the Marcellus Shale Coalition.

The revolving door data in this report raises troubling questions about the incentives that may be guiding public officials' oversight of fracking in Pennsylvania, from governors to DEP secretaries to well inspectors.

# Introduction

Without federal regulations in place, it is largely up to state governments to police the gas industry and prevent and mitigate the damage fracking can cause. While state legislatures craft and enact broad laws such as Pennsylvania's Oil and Gas Act, different gubernatorial administrations set broad policy priorities and delegate enforcement of state law to the various state agencies tasked with protecting and conserving the environment. Though mandated to protect the land, air, and water from pollution and to provide for the citizens' health and safety, there are other incentives at work influencing environmental policy and enforcement at all levels.

The potential for lucrative industry employment is a powerful incentive for politicians and regulators with insider knowledge or connections. After their terms expire, or when opportunities arise, public officials regularly go through the "revolving door" to take positions in the private sector – for the industries they were previously regulating.

This can be seen in the case of Pennsylvania, where numerous top government officers and environmental regulators have either left their public jobs for careers in the oil and gas industry or come to government from the private sector. Some held industry jobs before their government positions, then returned to industry or similarly passed from government to the industry and then back to government. A government official taking an industry job does not present a problem *per se*; however, if the energy industry can offer a far greater incentive to work in its interest there is cause to be concerned about the effects of that incentive on public policy.

While state spending for the Department of Environmental Protection has decreased steadily, down 41% from 2001 to 2011, spending by the natural gas industry has skyrocketed.<sup>2</sup> According to a study commissioned by a gas industry group, companies spent \$11.5 billion in the Marcellus Shale in 2010.<sup>3</sup> With gas companies and related infrastructure, consulting, and lobbying firms willing to spend so much money, they look to hire regulatory insiders in order to benefit from former regulators' special knowledge and government connections. This gives industry a special advantage in regulatory and legislative processes, where insider connections and knowledge are of paramount importance. Likewise, the prospect of well-paid industry jobs gives regulators who are still in government an incentive to maintain an amicable relationship with the drilling industry.

The result is an environment of regulatory capture; the government apparatus that is supposed to watch over the drilling industry and ensure that it is not running roughshod over the public interest is actually subject to undue industry influence and control.

The relationships examined in this report show how this process of capture has played out in Pennsylvania. They are often complex, involving a number of players on both sides of the regulatory table. On the government side is:

- The **Governor**, who dictates policy and appoints the executives and management of the various executive agencies
- The **General Assembly**, Pennsylvania's state legislature, which crafts and adopts state law, including the Oil and Gas Act and its recent amendment, Act 13

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<sup>2</sup> Sandy Bauers, "PA DEP budget: halved in a decade", *The Philadelphia Inquirer* (Green Space blog) (March 24, 2011). Accessed at: <http://www.philly.com/philly/blogs/greenliving/PA-DEP-budget-has-dropped-.html>

<sup>3</sup> Tom Shepstone, "Pennsylvania Rising – Higher and Higher!!", *Energy In Depth Northeast Marcellus Initiative* (July 20, 2011). Accessed at: <http://eidmarcellus.org/blog/pennsylvania-rising-higher-and-higher/2532/>

- The **Marcellus Shale Advisory Commission**, a body assembled by Gov. Tom Corbett to review extant laws, regulations, and policies affecting Marcellus Shale gas production and make recommendations to the Governor and the General Assembly for improving them
- The **Department of Environmental Protection**, which creates environmental regulations (to be approved by the Environmental Quality Board) and enforces the state's Oil and Gas Act and air and water quality regulations
- The **Public Utility Commission**, which regulates Pennsylvania's electric, water, telephone, and gas utilities and administers revenue from the "impact fee" charged to gas companies and determining the reasonability of local laws regulating gas drilling

On the industry side is:

- **Gas exploration and production companies**, such as **Chesapeake Energy**, **Range Resources**, and **Cabot Oil & Gas**
- **Midstream companies** that transmit and store natural gas produced at wells, such as **NiSource** and **TRC Companies**
- **Electric and gas utilities** who provide power, often generated at natural gas power plants, and gas to consumers, such as **Exelon** and **UGI**
- Environmental and engineering **consultants and service providers** whose business is based on contracts with companies in the above sectors, such as **Environmental Drilling Solutions** and **Pennoni Associates**
- **Industry associations**, typically not-for-profit groups comprising members from all industry sectors that lobby for natural gas and sponsor public relations campaigns, such as the **Marcellus Shale Coalition** and the **Pennsylvania Independent Oil and Gas Association**
- **Law firms and lobbying groups** who advocate for gas industry clients in the courtroom and to government and regulators, such as **Ridge Policy Group**, **Greenlee Partners**, and **Blank Rome LLP**

In preparing this report, we identified 45 current or former public officials in Pennsylvania with ties to the energy industry as well as the regulation of fracking. Of those, 28 employees have left for industry jobs. The balance comprises employees who have come to regulatory jobs from the energy industry or industry members of Gov. Corbett's Energy and Environment transition team and on the Marcellus Shale Advisory Commission.

Starting with the governor's office and moving down through the layers of government, this report details those ties.

# Governors and Staff

The governor plays an extremely important role in the regulation of fracking in Pennsylvania, played out through his or her broad policy focus, agency appointments, and executive orders. As the state's chief executive officer, the governor also has considerable sway with the state legislature.

Pennsylvania has had four governors since 1995. The three no longer in office have all taken jobs connecting them to the fracking industry. Tom Ridge and his successor Mark Schweiker both work for firms that represent Marcellus Shale clients; Ridge is the founder of his firm and was the public face of a gas industry advocacy group. Ed Rendell now has a financial stake in fracking-related companies through the private equity firm where he is an operating partner. He also recently appealed to the EPA on behalf of Range Resources in a water contamination case.

Current Governor Tom Corbett worked for the energy industry in two different capacities at two jobs he held before entering the public sector as Pennsylvania's attorney general. Gov. Corbett has also received \$1.8 million in campaign contributions from the energy industry. All of Pennsylvania's past four governors have had appointees and staff tied to the gas industry either before or after their government positions.

## Tom Ridge (1995 – 2001)

Tom Ridge was Pennsylvania's governor from 1995 until October 2001, when George W. Bush appointed him director of the newly created Department of Homeland Security. Since his retirement from that position in 2004, Ridge has founded a consulting firm, **Ridge Global LLC**, and a lobbying group, **Ridge Policy Group**, that have contracted with the gas industry. Ridge's two firms shared a \$900,000 lobbying contract with the **Marcellus Shale Coalition** trade group that ended in September 2011.<sup>4</sup>

Since 2005, Ridge has been on the board of directors of **Exelon**, the electricity generator and utility that recently purchased Constellation, a utility and natural gas producer headquartered in Maryland.

**Mark Holman** was Ridge's chief of staff from 1995 to 2000 and Deputy Assistant to the President for the Office of Homeland Security once Ridge was named to that post.<sup>5</sup> Following his White House job, Holman spent eight years working for the lobbying firm, **Blank Rome Government Relations, LLC**.<sup>6</sup> Blank Rome Government Relations is a wholly-owned subsidiary of Blank Rome LLP, a law firm and lobbying group with offices in Pennsylvania and Washington.<sup>7</sup>

Blank Rome is an associate member of the Marcellus Shale Coalition that describes itself as "uniquely positioned to counsel and represent shale oil and gas exploration, production, and mid-stream companies regarding all of their business needs."<sup>8</sup> Its clients include:

### Spotlight on: Blank Rome LLP

Blank Rome is a law and lobbying firm and a member of the Marcellus Shale Coalition. The firm's considerable status is related to its strong ties to Pennsylvania's government. Current DEP Secretary **Michael Krancer** worked for Blank Rome, as did **Mark Holman**, former Gov. Tom Ridge's chief of staff, and former Public Utility Commission chair, Ridge deputy secretary, and current energy industry consultant, **Glen Thomas**.

<sup>4</sup> Tom Barnes, "Ridge's firms to get \$900,000 for pushing Marcellus drilling", *Pittsburgh Post-Gazette* (March 29, 2012). Accessed at: <http://www.post-gazette.com/stories/local/breaking/ridges-firms-to-get-900000-for-pushing-marcellus-drilling-257769/>

<sup>5</sup> "Mark A. Holman, Partner", Ridge Policy Group. Accessed at: <http://www.ridgepolicygroup.com/mark-holman>

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*



- **Furie Operating Alaska, LLC**, a gas and oil company
- **Gas Technology Institute**, a non-profit research and development organization focused on the gas industry
- **Alyeska Pipeline Service Company**, a consortium including BP, ConocoPhillips, ExxonMobil, Koch Alaska Pipeline Company, and Unocal
- **Shell Oil**, a Dutch global energy company engaged in hydrofracking
- **GeoSpatial Holdings, Inc.**, a pipeline services company
- **Ridge Policy Group**<sup>9</sup>

Holman is now a partner at **Ridge Policy Group**, and was registered as a lobbyist for the Marcellus Shale Coalition during the time the coalition had retained Ridge Policy Group.

**Mark Campbell**, Ridge’s former deputy chief of staff, is also a partner at **Ridge Policy Group** and was registered as a lobbyist for the **Marcellus Shale Coalition**. Campbell was formerly a senior lobbyist with **Greenlee Partners**, a prominent Pennsylvania firm that represents a number of shale gas companies including Range Resources.

**Glen Thomas** was deputy director of Ridge’s policy office before being appointed to the chair of the Public Utility Commission in 2001.<sup>10</sup> Thomas left the PUC in 2005 to become a partner at **Blank Rome LLP**.<sup>11</sup> Thomas was also a member of current governor Tom Corbett’s transition team on the energy and environment committee.<sup>12</sup> He now runs an energy consulting firm called **GT Power Group**.<sup>13</sup>

Ridge’s deputy secretary for legislative affairs, **Peter A. Gleason**, is now a partner at **K&L Gates**, where, according to his bio, he “represent[s] several natural gas producers operating within the Marcellus Shale on legislative and regulatory policy matters pending within the PA General Assembly and numerous regulatory agencies with oversight for Marcellus Shale activities.”<sup>14</sup> K&L Gates is a law firm and lobbying group that is a member of the Marcellus Shale Coalition and has clients such as:

**Spotlight on: The Marcellus Shale Coalition**

The Marcellus Shale Coalition is a group formed in 2008 to advance the interests of the natural gas industry. The Coalition’s membership includes companies involved in every aspect of the gas industry. In addition to the gas drilling and pipeline companies that make up its board, the Marcellus Shale Coalition’s membership includes:

- **Aqua America Inc.**
- **Blank Rome LLP**
- **Buchanan Ingersoll & Rooney, PC**
- **Eckert Seamans Cherin & Mellott**
- **K&L Gates**
- **Manko Gold Katcher & Fox, LLP**
- **McNees Wallace & Nurick LLC**
- **Pennoni Associates, Inc.**
- **Waste Management**
- **Weston Solutions Inc.**

- **Cabot Oil & Gas**

<sup>8</sup> “Shale Oil & Gas Development: Environmentally Safe Resource Development for the Future”, Blank Rome LLP. Accessed at: <http://www.blankrome.com/index.cfm?contentID=13&itemID=218/>

<sup>9</sup> “Lobbying Tracker: Blank Rome LLP”, Sunlight Foundation. Accessed at: <http://reporting.sunlightfoundation.com/lobbying/firm/blank-rome-llp>

<sup>10</sup> “Glen Thomas to Speak on February 23, 2005”, Pennsylvania State University. Accessed at: [http://law.psu.edu/\\_file/student\\_orgs/Thomas.pdf](http://law.psu.edu/_file/student_orgs/Thomas.pdf)

<sup>11</sup> *Id.*

<sup>12</sup> Anya Litvak, “Drilling firm CEO is one third of Corbet [sic] transition team”, *Pittsburgh Business Times* (blog) (December 1, 2010). Accessed at: <http://www.bizjournals.com/pittsburgh/blog/energy/2010/12/Toretti-on-corbett-transition-team.html?page=all>

<sup>13</sup> “Leadership”, GT Power Group. Accessed at: [http://gtpowergroup.com/index/?page\\_id=8](http://gtpowergroup.com/index/?page_id=8)

<sup>14</sup> “Peter A. Gleason – Representative Work”, K&L Gates. Accessed at: <http://www.klgates.com/peter-a-gleason/#representativework>

- **Chesapeake Appalachia**
- **Peabody Energy**
- **Sprague Energy Corp**<sup>15</sup>

K&L Gates also lobbies for **Weston Solutions**, an environmental consulting company that is a member of the Marcellus Shale Coalition and that has contracted with Chesapeake Energy, and that employs Gov. Ed Rendell's Secretary of Environmental Protection, **Kathleen McGinty**.<sup>16</sup>

**K. Scott Baker** was Gov. Ridge's Secretary for Legislative Affairs, a cabinet-level position, from 1995 to 1997.<sup>17</sup> Baker was also a member of the Energy and Environment committee of current governor Tom Corbett's 2010 transition team.<sup>18</sup> He went on to work as a lobbyist at Klett Rooney Liber & Schorling, which merged with another firm to make **Buchanan Ingersoll & Rooney**.<sup>19</sup> Buchanan Ingersoll & Rooney is an associate member of the Marcellus Shale Coalition and represents more than a dozen oil and gas companies, including:

- **Alpha Shale Resources**
- **CONSOL Energy**
- **EQT**
- **Maverick Oil and Gas**
- **Mountain V Oil & gas**
- **Range Resources**
- **Rice Energy**
- **Royal Oil and Gas**
- **Transco Pipeline Co.**
- **Williams Companies**<sup>20</sup>

Baker is now a lobbyist for the University of Pittsburgh Medical Center, the Pittsburgh region's biggest hospital system.<sup>21</sup>

Ridge's lead legislative liaison, **Pamela Witmer**, went from working in the state government to become President and CEO of the **Pennsylvania Chemical Council**, where she spent seven years before taking over the lead of the energy and environment practice at the **Bravo Group**, a lobbying firm that represents numerous gas industry clients, including:

- **Chief Oil and Gas**, a exploration and production company active in the Marcellus Shale
- **GenOn Energy**, a power company whose merger with NRG Energy is expected to close in early 2013

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<sup>15</sup> "Lobbying: K&L Gates", OpenSecrets.org (September 17, 2012). Accessed at: <http://www.opensecrets.org/lobby/firmsum.php?id=D000000766&year=2012> and Laurie Villanova, "Hydraulic Fracturing Lobbyists Advising Incoming Pennsylvania Governor Tom Corbett", News Inferno (December 7, 2010). Accessed at: <http://www.newsinferno.com/fracking/hydraulic-fracturing-lobbyists-advising-incoming-pennsylvania-governor-tom-corbett/>

<sup>16</sup> *Id.* and "Oil & Gas", Weston Solutions. Accessed at: [http://www.westonsolutions.com/clients/industrial/oil\\_gas/index.html/](http://www.westonsolutions.com/clients/industrial/oil_gas/index.html/) and "Kathleen A. McGinty", Weston Solutions. Accessed at: <http://www.westonsolutions.com/about/mcginty.htm/>

<sup>17</sup> Matthew Santoni, "UPMC adds veteran lobbyist", *Pittsburgh Post Gazette* (blog) (August 3, 2012). Accessed at: <http://triblive.com/business/2330128-74/upmc-baker-government-health-buchanan-chief-firm-gov-lobbyist-million/>

<sup>18</sup> Anya Litvak, "Drilling firm CEO is one third of Corbet [sic] transition team", *Pittsburgh Business Times* (blog) (December 1, 2010).

<sup>19</sup> Matthew Santoni, "UPMC adds veteran lobbyist", *Pittsburgh Post Gazette* (blog) (August 3, 2012).

<sup>20</sup> "Oil & Gas", Buchanan Ingersoll & Rooney PC. Accessed at: [http://www.bipc.com/oil\\_gas/](http://www.bipc.com/oil_gas/)

<sup>21</sup> Matthew Santoni, "UPMC adds veteran lobbyist", *Pittsburgh Post Gazette* (blog) (August 3, 2012).

- **Peoples Natural Gas**, a Pennsylvania gas utility
- **Peoples TWP**, a related gas utility
- **SteelRiver Infrastructure Partners**, an equity firm invested in Peoples Natural Gas, Peoples TWP, and the Natural Gas Pipeline Company of America
- **PPL**, a family of gas and electric companies<sup>22</sup>

Witmer is now a Pennsylvania Public Utility Commissioner (PUC), tasked with regulating the state's natural gas, electric, water, and telecommunications utilities. After the General Assembly passed Act 13 in February 2012, the PUC also considers challenges to local ordinances seeking to regulate oil and gas drilling for environmental issues, setbacks, and boundaries.<sup>23</sup>

Ridge appointed **Jim Seif** his Secretary of Environmental Protection. Seif, as described in the Department of Environmental Protection section below, is now a principal in energy consulting for **Ridge Global LLC**, which is a strategic advisor to Marcellus Shale Coalition member TRC Companies.<sup>24</sup>

### **Mark Schweiker (2001 – 2003)**

Mark Schweiker was Gov. Ridge's Lieutenant Governor and took over the last two years of Ridge's second term when Ridge was appointed Secretary of Homeland Security in 2001. After leaving office in 2003, Schweiker became the president of the **Greater Philadelphia Chamber of Commerce**, a business advocacy organization to which the Marcellus Shale Coalition as well as a number of gas producers and gas-supporting industries belong.<sup>25</sup> Schweiker joined the law firm **Stradley Ronon Stevens & Young** in 2011 as a senior advisor to the firm's government and public affairs practice group. Stradley Ronon has a Marcellus Shale practice that touts its relationships at every level of government:

Our connections within critical regulatory agencies, well-reputed energy engineers and ESCOs, as well as mid-Atlantic state administrations and the federal government, afford our clients access and an edge that gives priority and prominence to their energy projects for funding, permitting, and development.<sup>26</sup>

When he succeeded Gov. Ridge, Schweiker kept on **Mark Campbell**, promoting him to chief of staff, and **Peter A. Gleason**, promoting him to secretary of legislative affairs.

Schweiker's Secretary of Environmental Protection, **David Hess**, is now a director of policy and communications for **Crisci Associates**, a lobbying firm that represents a number of oil and gas interests as well as a Pennsylvania environmental group tied to the petroleum industry.

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<sup>22</sup> "Clients", The Bravo Group. Accessed at: <http://www.thebravogroup.com/clients/>

<sup>23</sup> Janice Crompton, "Resident challenges: PUC to review some local Marcellus drilling laws", *Pittsburgh Post-Gazette* (September 27, 2012). Accessed at: <http://www.post-gazette.com/stories/local/neighborhoods-south/resident-challenges-puc-to-review-some-local-marcellus-drilling-laws-655097/>

<sup>24</sup> "TRC Engages Ridge Global as Strategic Advisor", TRC Companies (April 9, 2012). Accessed at: <http://www.trcsolutions.com/Lists/Recent%20News/ViewRecentNews.aspx?ID=68>

<sup>25</sup> "Mark S. Schweiker | Senior Advisor", Stradley Ronon Stevens & Young LLP. Accessed at: <http://www.stradley.com/bios.php?action=view&id=266> and "GPCC Member Search Results – Business Name/Keyword Containing: marcellus", Greater Philadelphia Chamber of Commerce. Accessed at: <http://www.greaterphilachamber.com/directory/CompanyOrKeyword/marcellus>

<sup>26</sup> "Marcellus Shale Natural Gas: Our Practice", Stradley Ronon Stevens & Young LLP. Accessed at: [http://www.stradley.com/practice-areas.php?action=view&id=9#Marcellus Shale](http://www.stradley.com/practice-areas.php?action=view&id=9#Marcellus%20Shale)

## Ed Rendell (2003 – 2011)

Ed Rendell was governor during the beginning of the Marcellus Shale boom. Despite his reputation as an environmental advocate (he originally pushed for a severance tax on gas production), he opposed a moratorium on fracking and leased more than 140,000 acres of state forest land for drilling before issuing a moratorium on state forest leasing by executive order at the end of his term.<sup>27</sup>

Currently, Rendell is an operating partner, along with his Secretary of Environmental Protection Kathleen McGinty, in **Element Partners**, a private equity firm that has investments in several companies in the natural gas industry, including:

- **212 Resources**, which builds and operates fluid management systems for recycling fracking wastewater
- **Agility Fuel Systems**, which builds natural gas vehicle fueling systems
- **Environmental Drilling Solutions**, which provides solids control services for oil & gas drillers<sup>28</sup>

Rendell is also a senior advisor at **Greenhill and Co.**, an investment bank that advises companies on mergers and acquisitions, financing, restructuring, and capital raising.<sup>29</sup> Greenhill has advised on many significant energy company transactions, including the 2012 acquisition of **Tennessee Gas Pipeline** and a 50% stake in **El Paso Natural Gas** by the midstream giant **Kinder Morgan**.<sup>30</sup>

According to Environmental Protection Agency e-mails obtained by *EnergyWire*, Rendell also acted as a spokesman for **Range Resources**, interceding on behalf of the gas driller in a Texas water contamination case.<sup>31</sup> In 2011 Rendell met with the EPA Administrator at the time, Lisa Jackson, and “proposed certain terms.” The agency settled the case in 2012, with Range declining to participate in water testing that EPA sought.<sup>32</sup> Range did not confirm a relationship with Rendell to *EnergyWire* and explicitly denied hiring him.<sup>33</sup>

**K. Scott Roy**, Rendell’s executive deputy chief of staff, left his office in 2010 to work for **Range Resources**, where he is vice president of regulator and government affairs.<sup>34</sup> Roy is also the treasurer for the **Marcellus Shale Coalition**.<sup>35</sup>

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<sup>27</sup> Scott Detrow, “4 Things To Watch For At The Marcellus Shale Coalition’s Philadelphia Conference”, State Impact (September 6, 2011). Accessed at: <http://stateimpact.npr.org/pennsylvania/2011/09/06/4-things-to-watch-for-at-the-marcellus-shale-coalitions-philadelphia-conference/>

<sup>28</sup> “Operating Partners”, Element Partners. Accessed at: <http://www.elementpartners.com/team-operatingpartners.html/> and “Investments”, Element Partners. Accessed at: <http://www.elementpartners.com/portfolio.html/>

<sup>29</sup> “Edward G. Rendell”, Greenhill and Co. Accessed at: [http://www.greenhill.com/index.php?option=com\\_peoplebook&Itemid=131&func=grShowProfile&catid=54&profileid=10000425](http://www.greenhill.com/index.php?option=com_peoplebook&Itemid=131&func=grShowProfile&catid=54&profileid=10000425)

<sup>30</sup> “Energy, Utilities & Infrastructure”, Greenhill and Co. Accessed at: [http://www.greenhill.com/index.php?option=com\\_content&task=view&id=62&Itemid=155](http://www.greenhill.com/index.php?option=com_content&task=view&id=62&Itemid=155)

<sup>31</sup> Mike Soraghan, “Former Pa. Gov. Rendell pressed EPA in Range pollution case, emails show”, *EnergyWire* (February 5, 2013). Accessed at: <http://www.eenews.net/public/energywire/2013/02/05/1>

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> Andrew Maykuth and Angela Couloumbis, “Rendell advisors getting jobs with shale gas firms”, *Philadelphia Inquirer*, July 13, 2010. Accessed at: [http://articles.philly.com/2010-07-13/news/24969499\\_1\\_natural-gas-rendell-gas-industry/](http://articles.philly.com/2010-07-13/news/24969499_1_natural-gas-rendell-gas-industry/)

<sup>35</sup> “Executive Board”, Marcellus Shale Coalition. Accessed at: <http://marcelluscoalition.org/about/executive-committee/>

**Sarah Battisti**, who was Rendell's deputy chief of staff, took a job at **BG Group**, a British gas company with a stake in the Marcellus Shale, in 2010 as a director of government and public affairs.<sup>36</sup> At BG Group, Battisti "oversaw the legislative, regulatory and policy [sic]" affecting the group's Pennsylvania investment, according to her profile at the Bravo Group, where she now works.<sup>37</sup> Battisti also co-chaired the **Marcellus Shale Coalition's** legislative committee during her time at BG Group. Currently, Battisti is the government relations lead in the energy practice at the **Bravo Group**, a government and public relations company whose gas industry clients are listed above. Additionally Battisti is registered as a lobbyist for the **Energy Association of Pennsylvania, America's Natural Gas Alliance, Southwestern Energy**, and **UGI Energy Services**.<sup>38</sup>

**Eric Battisti**, Sarah Battisti's husband, was a senior deputy secretary for legislative affairs in Rendell's office.<sup>39</sup> Prior to that Battisti directed the Office of Legislative Affairs in the Department of State.<sup>40</sup> He now works as a government relations professional at **Buchanan Ingersoll Rooney's** oil and gas practice.<sup>41</sup> At Buchanan Ingersoll Rooney, Battisti lobbies for **EQT, Williams Companies, NRG, and Koch Companies** among other natural gas industry clients.<sup>42</sup>

**Kathleen McGinty**, Rendell's appointee to the top DEP position, is a board member of **NRG Energy** and **Iberdrola**, two energy companies who own natural gas power plants. McGinty is also a Senior Vice President of **Weston Solutions**, a consulting firm that advises Chesapeake Energy and is a member of the Marcellus Shale Coalition, the American Gas Association, and the Pennsylvania Independent Oil and Gas Association. McGinty's ties to the gas industry are described in greater detail in the DEP section below.

### **Tom Corbett (2011 – present)**

Pennsylvania's current governor took office in January 2011. Since he has been in office, Corbett has signed the controversial Act 13 into law, an overhaul of Pennsylvania's Oil and Gas law that restricted municipalities' right to zone against oil and gas development and subjected local laws regarding oil and gas development to review by the Public Utility Commission. The zoning prohibition has since been overturned in court, though the Corbett administration appealed the ruling.

Corbett also overturned Gov. Rendell's late-term moratorium on oil and gas drilling in 60 state forests.

Corbett has not been in office long enough for many of his staff to leave for positions in the gas industry, though he has accepted more than \$1.8 million in campaign contributions from the oil and gas industry according to the Marcellus Money, a project of Common Cause PA and Conservation Votes of Pennsylvania.<sup>43</sup>

Further, Corbett's appointments reflect his coziness with energy interests. Corbett's Energy Executive, a cabinet-level position he created to advise the governor on energy issues, is **Patrick Henderson**, a

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<sup>36</sup> Andrew Maykuth and Angela Coulombis, "Rendell advisors getting jobs with shale gas firms", *Philadelphia Inquirer* (July 13, 2010).

<sup>37</sup> "Sarah Battisti", The Bravo Group. Accessed at: <http://www.thebravogroup.com/display-mover/16>

<sup>38</sup> Lobbyist Registration No. L23960, Pennsylvania Department of State. Accessed at: <https://www.palobbyingservices.state.pa.us/ACT134/Public/ViewRegistration.aspx?id=23960&rp=4>

<sup>39</sup> "Eric P. Battisti", Buchanan Ingersoll & Rooney. Accessed at: <http://www.bipc.com/eric-p-battisti/>

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> Lobbyist Registration No. L15279, Pennsylvania Department of State. Accessed at: <https://www.palobbyingservices.state.pa.us/ACT134/Public/ViewRegistration.aspx?id=15279&rp=4>

<sup>43</sup> "Corbett, Tom", Marcellus Money. Accessed at: <http://marcellusmoney.org/candidate/corbett-tom>

former staffer for State Senator Mary Jo White, the chair of the Environmental Resources & Energy Committee and Act 13 supporter and a former vice president at Quaker State.

**Michael Krancer**, Corbett's Secretary of Environmental Protection, is a former attorney for the energy company **Exelon Energy** as well as **Blank Rome LLP**, a law and lobbying firm with a number of gas industry clients. Krancer's policies and links to the energy industry are detailed further in the DEP section below.

**C. Alan Walker** is Corbett's Secretary of Community and Economic Development and a member of the governor's Marcellus Shale Advisory Commission. Walker is the President and CEO of **Bradford Energy**, a coal company, and has holdings in a variety of companies related to the oil and gas industry including a 30% stake in **Gigo Oil and Gas, LLP**.<sup>44</sup> Walker is extremely influential in Pennsylvania politics; he and companies he controls have contributed almost \$500,000 to candidates since 2000, including nearly \$184,000 to Corbett since 2004.<sup>45</sup>

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<sup>44</sup> Tom Corbett, "C. Alan Walker nomination", Commonwealth of Pennsylvania Office of the Governor (January 26, 2011). Accessed at: <http://pasenategop.com/committees/rules/pdf/WalkerCAlan.pdf>

<sup>45</sup> "Bradford Energy", Marcellus Money. Accessed at: <http://marcellusmoney.org/company/bradford-energy>

# Department of Environmental Protection

The Department of Environmental Protection (DEP) is Pennsylvania's state-level environmental regulator. Led by the governor-appointed Secretary of Environmental Protection, the DEP has 19 district offices spread over six regions, and a \$350 million budget, \$135 million of which comes from the state and \$215 million of which comes from the federal government.<sup>46</sup>

According to the agency's website, the DEP's mission is: "to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of all its citizens through a cleaner environment."<sup>47</sup> When it comes to fracking, the DEP works to this end through its Office of Oil and Gas Management, which regulates oil and gas development pursuant to a number of statutory authorities, most notably the Oil and Gas Act.<sup>48</sup>

The DEP's response to the shale gas boom has generally been characterized as inadequate to deal with the magnitude of the issues arising from hydrofracking. Critics have raised problems with the DEP's capacity to perform well inspections and a perceived hostility to regulation and enforcement.

The DEP's official policy is that oil and gas wells should be inspected "[a]t least once during each of the phases of siting, drilling, casing, completing, altering, and stimulating a well" and "[a]t least once a year, if there is onsite brine disposal or residual waste disposal." The environmental group Earthworks found that this was not the case, however – of 91,167 total active oil and gas wells, only 8,565 were inspected in 2010.<sup>49</sup>

The current DEP administration has appeared interested in minimizing the number of determinations of environmental violations and water contamination. An ultimately short-lived policy made public by a leaked e-mail in March 2012 required all DEP regional directors to obtain approval from top-level DEP administrators with final clearance from Secretary Michael Krancer before taking any action, including filing notices of violation.

In September 2012, the agency began a similar policy of requiring that DEP regional offices pre-clear all water contamination notification letters through the head of the Office of Oil and Gas Management Scott Perry and Secretary Krancer before sending them to residents and property owners.<sup>50</sup>

In October 2012, deposition testimony from a DEP scientist revealed that, though the DEP Bureau of Laboratories tested water for a full battery of heavy metals and volatile organic compounds (VOCs) associated with fracking the Marcellus Shale, the Office of Oil and Gas Management directed that a

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<sup>46</sup> "DEP: The Department That Regulates and Oversees Drilling", StateImpact Pennsylvania. Accessed at: <http://stateimpact.npr.org/pennsylvania/tag/department-of-environmental-protection/>

<sup>47</sup> "About DEP", Pennsylvania Department of Environmental Protection. Accessed at: [http://www.portal.state.pa.us/portal/server.pt/community/about\\_dep/13464](http://www.portal.state.pa.us/portal/server.pt/community/about_dep/13464)

<sup>48</sup> "Oil and Gas Programs", Pennsylvania Department of Environmental Protection. Accessed at: [http://www.portal.state.pa.us/portal/server.pt/community/oil\\_and\\_gas/6003](http://www.portal.state.pa.us/portal/server.pt/community/oil_and_gas/6003)

<sup>49</sup> 25 Pa. Code § 78.903 and Lisa Sumi, "Enforcement Report – PA DEP", Earthworks Oil & Gas Accountability Project, 2 (September 25, 2011). Accessed at: <http://www.earthworksaction.org/files/publications/FINAL-PA-enforcement-sm.pdf>

<sup>50</sup> Don Hopey, "DEP alters policy on foul-water notifications", *Pittsburgh Post-Gazette* (October 14, 2012). Accessed at: <http://www.post-gazette.com/stories/local/marcellusshale/dep-alters-policy-on-foul-water-notifications-657473/>

number of potential carcinogens and VOCs were withheld from the reports sent to the oil and gas division and to property owners.<sup>51</sup>

The agency's industry-friendly style of oversight is less than surprising considering its close relationship with the natural gas industry. Since the DEP was created in 1995, all of its heads have had ties to the energy industry, either before or after their tenure with the agency. Many high-level DEP staffers have also moved freely between the Department and the gas companies that it regulates.

DEP regulators who hope to use their experience as a springboard for finding more lucrative positions have strong incentives to be friendly to the industry. The relationships described below evidence a culture within the DEP of taking oil and gas jobs after being employed as regulators from the highest level of management to on-the-ground staffers such as well inspectors.

## Department of Environmental Protection Secretaries

Every Secretary of Environmental Protection since the agency's split from the Department of Conservation and Natural Resources has had ties to the natural gas industry.<sup>52</sup> Jim Seif, David Hess, Kathleen McGinty, and John Hanger have worked for companies that either consulted or lobbied for the gas industry since leaving the DEP. Michael Krancer, the current secretary, is a former lawyer for an electric and gas company and for a firm that lobbies for companies active in the Marcellus Shale.

### Jim Seif (1995 – 2001)

Jim Seif became the first Secretary of Environmental Protection when then-Governor Tom Ridge split the Department of Environmental Resources into the Department of Environmental Protection and the Department of Conservation and Natural Resources.<sup>53</sup>

After Ridge joined George W. Bush's administration as the first Director of Homeland Security, Seif left the DEP. He has since joined one of Ridge's lobbying firms, **Ridge Global LLC**, as a principal and energy consultant. From 2010 to 2011, Ridge Global, Ridge Policy Group, and Tom Ridge had lobbying contracts with the Marcellus Shale Coalition.<sup>54</sup> Ridge Global is currently a "strategic advisor" for TRC Companies, an engineering and consulting firm active in the Marcellus Shale and member of the Marcellus Shale Coalition.<sup>55</sup>

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<sup>51</sup> Don Hopey, "State representative calls for probe of DEP water testing results", *Pittsburgh Post Gazette* (November 1, 2012). Accessed at: <http://www.post-gazette.com/stories/local/marcellusshale/state-representative-calls-for-probe-of-dep-water-testing-reports-660215/>

<sup>52</sup> In 1995, Governor Tom Ridge split Pennsylvania's Department of Environmental Resources into the Department of Conservation and Natural Resources, which maintains Pennsylvania's state parks and forests, and the Department of Environmental Protection, which regulates the environment.

<sup>53</sup> "Department of Environmental Protection", *The Pennsylvania Manual*, vol. 120, Pennsylvania Department of General Services (2012), 4-54.

<sup>54</sup> Lauren Lawley Head, "Live from Energy Inc.", *Pittsburgh Business Times* (August 10, 2010). Accessed at: [http://www.bizjournals.com/pittsburgh/blog/energy/2010/08/live\\_from\\_energy\\_inc.html](http://www.bizjournals.com/pittsburgh/blog/energy/2010/08/live_from_energy_inc.html)

<sup>55</sup> "TRC Engages Ridge Global as Strategic Advisor", TRC Companies (April 9, 2012). Accessed at: <http://www.trcsolutions.com/Lists/Recent%20News/ViewRecentNews.aspx?ID=68>



### David Hess (2001 – 2003)

David Hess was appointed Secretary of Environmental Protection when Mark Schweiker succeeded Tom Ridge as governor. Hess is now the director of policy and communications for the lobbying firm **Crisci Associates**. Crisci Associates' clients include:

- Dominion Retail, Inc., a subsidiary of **Dominion Resources**
- **Exelon**, a diversified power and gas company
- **Interstate Gas Supply, Inc.**, an electric and gas utility
- **Pennsylvania Petroleum Marketers & Convenience Store Association**, a trade group whose executive vice president, John V. Kulik, is a government affairs consultant for Crisci Associates
- **Shibley Energy Company**, a provider of natural gas, heating oil, and propane

Another client of Crisci Associates is the **Pennsylvania Environmental Council**, a non-profit environmental group with extensive ties both to the energy industry and to Pennsylvania's environmental regulators.

### Kathleen McGinty (2003 – 2008)

Kathleen McGinty, Gov. Ed Rendell's appointee to the top DEP position, has held numerous jobs in the energy and regulatory sectors. She was the first woman to chair the White House Council on Environmental Quality during the Clinton administration and was a senior environmental advisor to Al Gore.

One of McGinty's appointments as DEP Secretary was Kathryn Klaber, the current president of the Marcellus Shale Coalition, to the Air Quality Technical Advisory Committee – a board that advises the DEP on potential impacts of air pollution regulations.

After leaving the DEP in 2008, McGinty joined the board of **NRG Energy**, an electricity producer operating 22 natural gas power plants. NRG is in the process of converting some of its coal power plants to gas.<sup>56</sup>

McGinty is also a board member of **Iberdrola USA**, a subsidiary of the Spanish energy conglomerate whose interests include natural gas power plants, and a senior vice president and managing director of **Weston Solutions**, a consulting firm that, according to its website, "delivers integrated environmental, sustainability, property redevelopment, energy, and construction solutions."<sup>57</sup>

Weston Solutions counts Chesapeake Energy among its clients and is a member of the Marcellus Shale Coalition, the American Gas Association, and the Pennsylvania Independent Oil & Gas Association (PIOGA).<sup>58</sup>

Finally, McGinty is an operating partner at **Element Partners**, a private equity firm that has investments in several companies in the natural gas industry, as is detailed in the Ed Rendell section above.<sup>59</sup>

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<sup>56</sup> "NRG Energy Generation Assets", NRG Energy (August 21, 2012). Accessed at: <http://www.nrgenergy.com/pdf/Projectlist.pdf>

<sup>57</sup> "Kathleen A. McGinty", Weston Solutions. <http://www.westonsolutions.com/about/mcginty.htm> and "About Us", Weston Solutions. Accessed at: <http://www.westonsolutions.com/about/index.htm>

<sup>58</sup> "Oil & Gas", Weston Solutions. Accessed at: [http://www.westonsolutions.com/clients/industrial/oil\\_gas/index.htm](http://www.westonsolutions.com/clients/industrial/oil_gas/index.htm)

<sup>59</sup> "Kathleen McGinty", Element Partners. Accessed at: <http://www.elementpartners.com/team-kathleenmcginty.html>

## John Hanger (2008 – 2011)

The first DEP Secretary during the fracking explosion was the Rendell-appointed John Hanger, the president of the environmental group PennFuture. Hanger took several steps to improve the regulation of fracking, strengthening well casing standards, reducing the amount of wastewater drillers could dump into waterways, and increasing fees for drilling permits, using the income to hire more inspectors. However, he was described by NPR's StateImpact Pennsylvania as "a strong supporter of drilling – albeit drilling done in a safe and responsible manner."<sup>60</sup>

Josh Fox criticized Hanger for the way the DEP handled the first years of the fracking boom, portraying the former secretary as "an equivocating tool of the natural gas industry" in his documentary *Gasland*.<sup>61</sup> In 2012, Hanger appeared in *Truthland*, the gas industry response to Fox's film, defending fracking.

"We've never had one case of (hydraulic fracturing fluid) going down the gas well and coming back up and contaminating someone's water well," Hanger said in his segment.<sup>62</sup>

After leaving the DEP when Tom Corbett was elected governor, Hanger joined the law firm and lobbying organization and Marcellus Shale Coalition member **Eckert Seamans Cherin & Mellott, LLC** as special counsel. Eckert Seamans describes its energy practice as:

[R]epresent[ing] every segment of the natural resources industry, including renewable energy companies, traditional utilities, domestic energy companies, foreign energy companies, mineral companies, exploration and extraction companies, financial institutions, private equity firms, government entities, and other companies associated with the natural resource industry.

Among Eckert Seamans' clients is Pennsylvania Independent Oil & Gas Association (PIOGA), a trade association with over 800 members including companies that "drill and operate the majority of the state's crude oil and natural gas," according to a filing before the Pennsylvania Public Utility Commission.<sup>63</sup>

Hanger also has founded a consulting company, **Hanger Consulting, LLC**, and writes a blog discussing "key facts in energy, environment, the economy, and politics," and often promoting natural gas.<sup>64</sup> He is currently running against Tom Corbett in the 2014 gubernatorial election.

### Spotlight on: *Truthland*

*Truthland* is a 35-minute "antidote" to the anti-fracking documentary *Gasland*, conceived of by *Energy In Depth*, a campaign of the Independent Petroleum Association of America, and produced by Fred Davis, the man behind the lambasted anti-Obama ad campaign "The Defeat of Barack Hussein Obama" rejected by the Romney campaign.

*Truthland* features former DEP Secretary John Hanger as well as former DEP Deputy Secretary for Mineral Resources Management J. Scott Roberts. Marcellus Shale Advisory Commission member Terry Engelder also appeared in the film.

<sup>60</sup> "John Hanger, A Wary Drilling Advocate", StateImpact Pennsylvania. Accessed at: <http://stateimpact.npr.org/pennsylvania/tag/john-hanger/>

<sup>61</sup> Andrew Maykuth, "'Gasland' documentary fuels debate over natural gas extraction", *Philadelphia Inquirer* (June 23, 2010). Accessed at: [http://articles.philly.com/2010-06-23/news/24961785\\_1\\_natural-gas-marcellus-shale-gas-drilling](http://articles.philly.com/2010-06-23/news/24961785_1_natural-gas-marcellus-shale-gas-drilling)

<sup>62</sup> "The Experts", *Truthland*. Accessed at: <http://www.truthlandmovie.com/the-experts/#!prettyPhoto/>

<sup>63</sup> Kevin J. Moody, "Comments Of The Pennsylvania Independent Oil And Gas Association", Pennsylvania Public Utility Commission, Docket No. I-2009-2099881, 2 (February 23, 2011).

<sup>64</sup> John Hanger's Facts of the Day. Accessed at: <http://johnhanger.blogspot.com/> and see e.g. John Hanger, "NYT Hypes Gas Water Usage In Front Page Story", John Hanger's Facts of the Day (September 6, 2012). Accessed at: <http://johnhanger.blogspot.com/2012/09/nyt-hypes-gas-water-usage-issue-in.html/> and "Natural Gas Is Responsible

## Michael Krancer (2011 – present)

Pennsylvania's current governor Tom Corbett appointed Michael Krancer Secretary of Environmental Protection on January 19, 2011. Krancer has embraced gas drilling in the Marcellus Shale, dismissing environmental concerns and saying: "At the end of the day, my job is to get gas done."<sup>65</sup> To this end, Krancer instituted a series of changes in the DEP, including the later rescinded policy requiring all notices of violation be approved by the department's executive management in Harrisburg.<sup>66</sup>

Krancer also centralized the DEP's gas regulators, creating a new Oil and Gas Bureau led by a deputy secretary in Krancer's office rather than the previous regional structure of oil and gas regulation the department previously employed.

In May 2011, under Krancer, the DEP levied the largest fine in the state's history of Marcellus gas drilling.<sup>67</sup> Chesapeake Energy, the self-proclaimed "world's biggest fracker", was fined \$1.1 million for contaminating the water supplies of 16 homes in Bradford county and for a fire in Washington county. Krancer said the fine sent a clear message to drillers and to the public, though the actual import of the fine was questioned by environmental groups who cited Chesapeake's \$1.7 billion in profits in 2010.

Previous to his appointment, Krancer was the chair of the Pennsylvania Environmental Hearing Board, a trial court that hears appeals of DEP decisions, and before that he was assistant general counsel to **Exelon** and a litigation partner at **Blank Rome LLP**, a law firm and lobbying group that represents a number of natural gas interests and is an associate member of the Marcellus Shale Coalition.<sup>68</sup>

## Other DEP Staff

Just as the heads of the Department of Environmental Protection have moved back and forth between working for the oil and gas industry and regulating it, so have a number of other DEP staffers from the agency's executive management down to well inspectors.

## Barbara Sexton, former Executive Deputy Secretary

Barbara Sexton, who had served in the agency's second-highest position since 2001 and been with the DEP since its inception in 1995 and with the Department of Environmental Resources before that, left the public sector to work for **Chesapeake Energy** in 2010.<sup>69</sup> Sexton is now a director of governmental affairs for the Oklahoma exploration company.<sup>70</sup>

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For "About 77% Of Carbon Emission Reductions In 2012" (September 17, 2012). Accessed at:

<http://johnhanger.blogspot.com/2012/09/natural-gas-is-responsible-for-about-77.html/>

<sup>65</sup> Robert Magyar, "Drilling permits decline sharply for the Pennsylvania Marcellus formation", *Philadelphia Energy Examiner* (August 17, 2012). Accessed at: <http://www.examiner.com/article/drilling-permits-decline-sharply-for-the-pennsylvania-marcellus-formation>

<sup>66</sup> Don Hopey, "DEP top brass must OK all Marcellus regulation, memo says", *The Pittsburgh Post-Gazette* (March 29, 2012).

<sup>67</sup> Andrew Maykuth, "Pa. fines Chesapeake Energy Corp. \$1.1 million for drilling violation", *The Philadelphia Inquirer* (May 18, 2011). Accessed at: [http://articles.philly.com/2011-05-18/news/29556269\\_1\\_marcellus-shale-gas-act-natural-gas](http://articles.philly.com/2011-05-18/news/29556269_1_marcellus-shale-gas-act-natural-gas)

<sup>68</sup> "Michael Krancer, Secretary", Pennsylvania Department of Environmental Conservation. Accessed at:

[http://www.portal.state.pa.us/portal/server.pt/community/about\\_dep/13464/office\\_of\\_the\\_secretary/585259](http://www.portal.state.pa.us/portal/server.pt/community/about_dep/13464/office_of_the_secretary/585259)

<sup>69</sup> "Gov. Ridge Names Barbara Sexton as DEP Executive Deputy Secretary", Business and Legal Resources, October 3, 2001. Accessed at: <http://enviro.blr.com/environmental-news/EHS-management/EPA-environmental-protection-agency/Gov.-Ridge-Names-Barbara-Sexton-as-DEP-Executive-D/> and Andrew Maykuth and Angela

### **John Hines, former Executive Deputy Secretary**

John Hines spent 18 years with the DEP, 12 of which were in senior and executive management, including as Deputy Secretary for Water Management and as Executive Deputy Secretary to Michael Krancer.<sup>71</sup> Hines was the author of the leaked memo informing DEP regional directors of the agency's controversial policy requiring all notices of violation and other final agency actions to be approved by executive management.<sup>72</sup> Hines is now a government relations advisor to **Shell Oil Company**.<sup>73</sup>

### **J. Scott Roberts, former Deputy Secretary for Mineral Resources Management**

After working for the DEP for 25 years, Deputy Secretary for Mineral Resources Management J. Scott Roberts retired in late 2010, taking a job with **L. R. Kimball**, an architecture and engineering hoping to expand its operations in the Marcellus Shale.<sup>74</sup>

Described in the *Scranton Times-Tribune* as “one of the department's most knowledgeable leaders on Marcellus Shale issues” who “often testified along with, or in place of, [Secretary John] Hanger at public hearings concerning the industry,” Roberts also appeared with Hanger in the pro-fracking film *Truthland*.<sup>75</sup>

### **Terry Bossert, former Chief Counsel**

Terry Bossert was Chief Counsel at DEP from 1995 until 1999 before joining the prominent Pennsylvania environmental law firm **Manko Gold Katcher & Fox LLP**.<sup>76</sup> Manko Gold is closely tied to environmental regulators in Pennsylvania; two of its partners sit on the rules committee of the state's Environmental Hearing Board and Bossert was also on Gov. Tom Corbett's Marcellus Shale Advisory Commission. In 2000, Bossert then joined **Eckert Seamans Cherin & Mellott**, but left in 2001 for another firm, **Stevens and Lee**.<sup>77</sup>

**Chief Oil & Gas** hired Bossert in 2010 as Vice President of Government Affairs where he works today.<sup>78</sup> Further, he serves as Vice President of Regulatory and Government Affairs for the **Marcellus Shale Coalition** alongside K. Scott Roy, former deputy chief of staff for Gov. Ed Rendell and current Vice President of Regulatory and Government Affairs for Range Resources.<sup>79</sup> Bossert also sits on the

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Coulombis, “Rendell advisers getting jobs with shale gas firms”, *Philadelphia Inquirer*, July 13, 2010. Accessed at: [http://articles.philly.com/2010-07-13/news/24969499\\_1\\_natural-gas-rendell-gas-industry/](http://articles.philly.com/2010-07-13/news/24969499_1_natural-gas-rendell-gas-industry/)

<sup>70</sup> *Id.*

<sup>71</sup> David E. Hess, “John Hines To Receive James McGirr Kelly Award For Excellence”, *PA Environmental Digest*, May 5, 2012. Accessed at: <http://paenvironmentdaily.blogspot.com/2012/05/john-hines-to-receive-james-mcgirr.html/>

<sup>72</sup> Donald Gilliland, “New DEP policy: no violations against drillers without approval from the top”, *The Patriot-News*, March 30, 2011.

<sup>73</sup> “John T. Hines”, Hart Energy. Accessed at: <http://www.dugeast.com/443>

<sup>74</sup> Laura Legere, “DEP losing staff to gas drilling industry”, *Scranton Times-Tribune*, January 24, 2011. Accessed at: <http://thetimes-tribune.com/news/dep-losing-staff-to-gas-drilling-industry-1.1094647/>

<sup>75</sup> *Id.* and “The Experts”, *Truthland*. Accessed at: <http://www.truthlandmovie.com/the-experts/>

<sup>76</sup> “Pa. DEP official joins law firm”, *Philadelphia Business Journal*, November 18, 1998. Accessed at: <http://www.bizjournals.com/philadelphia/stories/1998/11/16/daily6.html/>

<sup>77</sup> Jeremy Feiler, “Eckert Seamans picks up area veteran, 17 others”, *Philadelphia Business Journal*, October 1, 2001. Accessed at: <http://www.bizjournals.com/philadelphia/stories/2001/10/01/newscolumn7.html/>

<sup>78</sup> “Terry Bossert | LinkedIn”. Accessed at: <http://www.linkedin.com/pub/terry-bossert/20/b7/988>

<sup>79</sup> “Executive Board”, Marcellus Shale Coalition. Accessed at: <http://marcelluscoalition.org/about/executive-committee/>

Coalition's regulatory committee with fellow Marcellus Shale Advisory Commission member and CONSOL Energy lobbyist Gary Slagel.<sup>80</sup>

### **Steven C. Beckman, former Director, Northwest regional office**

Steven C. Beckman was appointed Director of DEP's northwest regional office by Gov. Tom Ridge in 1996, after five years of employment with **Shell** and three years as an environmental lawyer with **MacDonald Illig Jones and Britton LLP** in Erie, Pennsylvania. Beckman remained a Regional Director with the DEP until 2001, when he returned to MacDonald Illig, where he is now a partner.<sup>81</sup> The firm represents land- and business owners "who wish to take advantage of new opportunities created by Marcellus Shale and Utica Shale gas development."<sup>82</sup>

### **Gary Byron, former Assistant Regional Director, North Central regional office**

Gary Byron worked for the DEP for 33 years before leaving in 2008 to found an environmental consulting company, **Dux Head Environmental Services**.<sup>83</sup> Dux Head, which specializes in consulting for the natural gas industry, is a member of the Pennsylvania Independent Oil & Gas Association and contracts with Houston-based Carrizo Oil and Gas.<sup>84</sup>

Byron has appeared on public television defending the drilling industry along with a representative of Chesapeake Energy and a landowner-lessor to Carrizo, saying "there are a lot of misconceptions about the industry."<sup>85</sup>

### **Joe Umholtz, former Chief, Division of Surface Activities, Bureau of Oil and Gas Management**

Joe Umholtz was the chief of the Division of Surface Activities, the DEP body that issues notices of violation and fines well operators for violating Pennsylvania's environmental regulations, in the department's Bureau of Oil and Gas Management.<sup>86</sup> He left the department in 2010 to be the principal regulatory engineer at **MWH**, an environmental engineering firm in Colorado, in the company's oil and gas sector.<sup>87</sup>

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<sup>80</sup> Anya Litvak, "Marcellus Shale Coalition elects new board", *Pittsburgh Business Times* (November 17, 2011). Accessed at: <http://www.bizjournals.com/pittsburgh/blog/energy/2011/11/marcellus-shale-coalition-elects-board.html>

<sup>81</sup> "Steven C Beckman", MacDonald Illig Attorneys. Accessed at:

[http://www.macdonaldillig.com/attorneys/steven\\_c\\_beckman/](http://www.macdonaldillig.com/attorneys/steven_c_beckman/)

<sup>82</sup> "Oil & Gas", MacDonald Illig Attorneys. Accessed at: [http://www.macdonaldillig.com/industries/oil\\_gas](http://www.macdonaldillig.com/industries/oil_gas)

<sup>83</sup> "Marcellus Shale: All It's Fracked Up To Be? on the Next State of Pennsylvania on WVIA", WVIA (February 1, 2010). Accessed at:

<http://www.publicbroadcasting.net/wvia/news.newsmain/article/1/0/1606783/press.releases/Marcellus.Shale.All.It's.Fracked.Up.To.Be.on.the.Next.State.of.Pennsylvania.on.WVIA/>

<sup>84</sup> Laura Legere, "DEP losing staff to gas drilling industry", *Scranton Times-Tribune* (January 24, 2011) and "PIOGA Service Director: Dux Head Environmental Services", Pennsylvania Independent Oil & Gas Association. Accessed at: <http://www.pioga.org/service-directory/dux-head-environmental-services/>

<sup>85</sup> Rory Sweeney, "Gas drilling meeting draws lots of interest", *The Times Leader* (February 5, 2010). Accessed at: [http://archives.timesleader.com/2010\\_7/2010\\_02\\_05\\_Gas\\_drilling\\_meeting\\_draws\\_lots\\_of\\_interest\\_-news.html/](http://archives.timesleader.com/2010_7/2010_02_05_Gas_drilling_meeting_draws_lots_of_interest_-news.html/)

<sup>86</sup> Laura Legere, "DEP losing staff to gas drilling industry", *Scranton Times-Tribune* (January 24, 2011).

<sup>87</sup> "People on the Move – May 2, 2010", *Scranton Times-Tribune* (May 2, 2010). Accessed at: <http://thetimes-tribune.com/news/business/people-on-the-move-may-2-2010-1.754007/>

### **L. Richard Adams, former watershed manager, North Central region**

L. Richard Adams spent 30 years with the DEP where, according to the *Scranton Times-Tribune's* Laura Legere, he was influential in crafting the state's regulations for treating fracking wastewater.<sup>88</sup> Adams is now a senior regulatory advisor for **Chief Oil and Gas**.<sup>89</sup>

### **William Darr, former regional counsel, Southwestern region**

William Darr spent six weeks as the regional counsel for the DEP's southwest region after the Corbett administration forced the former counsel to resign.<sup>90</sup> Darr resigned his appointment rather than file mandatory federal conflict-of-interest paperwork that would have shown his eligibility for a pension from **CONSOL Energy** from his work for Rochester & Pittsburgh Coal Co., a company CONSOL purchased in 1998.<sup>91</sup>

### **Helen Humphreys, former spokeswoman, Southwestern region**

Helen Humphreys was a spokeswoman for the DEP's southwestern office for seven years, and spent five months as the agency's communications director before leaving in November 2010 for the **Williams Companies**.<sup>92</sup> She is a senior corporate communications specialist and spokeswoman for the gas production and pipeline company.

### **Michael Arch, former inspector supervisor, Southwestern**

Michael Arch was an inspector supervisor in the DEP's southwestern office and was on the health and safety committee of the **Pennsylvania Independent Oil and Gas Association**, an industry lobbying group, from 2009 through 2010.<sup>93</sup> In addition to being a clearinghouse for information affecting the Pennsylvania oil and gas industry, PIOGA works to develop legislation that is "less onerous" for the industry.<sup>94</sup>

In addition to the people listed above, at least four former well-site inspectors have been hired by **Range Resources, Chesapeake Energy, and Atlas Energy**.<sup>95</sup>

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<sup>88</sup> Laura Legere, "DEP losing staff to gas drilling industry", *Scranton Times-Tribune* (January 24, 2011).

<sup>89</sup> David Thompson, "Public: Drilling rules must be stronger", *Williamsport Sun-Gazette* (July 22, 2010). Accessed at: <http://www.sungazette.com/page/content.detail/id/546355.html?nav=5011>

<sup>90</sup> Don Hopey, "Politics, resignations add wrinkle to area's DEP office", *Pittsburgh Post-Gazette* (February 20, 2012). Accessed at: <http://www.post-gazette.com/stories/news/environment/politics-resignations-add-wrinkle-to-areas-dep-office-86101/>

<sup>91</sup> *Id.*

<sup>92</sup> Laura Legere, "DEP losing staff to gas drilling industry", *Scranton Times-Tribune* (January 24, 2011).

<sup>93</sup> "Web Archive: PIOGA Leadership", Pennsylvania Independent Oil & Gas Association. Archived on October 24, 2010. Accessed at: <http://web.archive.org/web/20101024183827/http://iogapa.org/board.html/>

<sup>94</sup> "Who We Are", Pennsylvania Independent Oil & Gas Association. Accessed at: <http://www.pioga.org/about/who-we-are/>

<sup>95</sup> Laura Legere, "DEP losing staff to gas drilling industry", *Scranton Times-Tribune* (January 24, 2011).

# Marcellus Shale Advisory Commission

On March 8, 2011, by executive order, Governor Corbett created the **Marcellus Shale Advisory Commission**, a 29-member panel representing “the interests of environmental [sic], conservation, industry, local and state government.”<sup>96</sup> The Commission was instructed to review existing and proposed laws and regulations pertaining to Marcellus Shale development and to provide recommendations on additional steps to protect the environment, efforts to promote the environmentally-sound development of natural gas resources, policies to encourage the use of natural gas and its byproducts, and proposals to address the impact of fracking on local communities.<sup>97</sup>

The Commission issued a 137-page report in July 2011 detailing its review and making 96 recommendations. Pennsylvania Budget and Policy Center director Sharon Ward criticized the recommendations for “read[ing] like an industry wish list.”<sup>98</sup> The recommendations, which the state legislature has begun to enact starting with Act 13, include:

- Leasing state forest land for oil and gas drilling except in “high conservation value forests and other ecologically important areas.”<sup>99</sup>
- A local impact fee rather than a severance tax for “the purpose of mitigating and offsetting the uncompensated portion of demonstrated impacts borne by the citizens and local governments of the Commonwealth attributable to unconventional natural gas development.”<sup>100</sup>
- Statutory changes to ensure that municipal regulation does not “unreasonably impede the development of natural gas.”<sup>101</sup>
- Update forced pooling laws to include Marcellus drilling by “moderniz[ing]” Pennsylvania statutes in order to “prevent the waste or stranding of natural gas so as to maximize job and revenue-creating opportunities for the Commonwealth and its citizens.”<sup>102</sup>

The pro-gas industry bias in the Commission’s findings and recommendations is unsurprising given the panel’s makeup. Thirteen of the Commission’s 29 members have direct ties to the gas industry, including some that were not disclosed by the commonwealth and one who was on the panel representing environmental interests:

- **Michael Krancer**, the Secretary of Pennsylvania’s Department of Environmental Protection, is a former lawyer for **Exelon** and for **Blank Rome LLP**, a law and lobbying firm that represents gas industry clients.
- **C. Alan Walker**, the Secretary of Community & Economic Development for the state, is president and CEO of **Bradford Energy**.
- **Gene Barr** is vice president for governmental affairs for the **Pennsylvania Chamber of Business & Industry**, a former executive director of the **Associated Petroleum Industries of**

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<sup>96</sup> Tom Corbett, Executive Order 2011-01 (March 8, 2011).

<sup>97</sup> *Id.*

<sup>98</sup> Sharon Ward, “PBPC Responds to Marcellus Shale Advisory Commission Report”, Pennsylvania Budget and Policy Center” (July 22, 2011). Accessed at: <http://pennbpc.org/sites/pennbpc.org/files/PBPC-Responds-MS-Advisory-Commission.pdf>

<sup>99</sup> Final Report, Governor’s Marcellus Shale Advisory Commission §9.2.36. Accessed at: [http://files.dep.state.pa.us/publicparticipation/marcellusshaleadvisorycommission/marcellusshaleadvisoryportalfiles/m\\_sac\\_final\\_report.pdf](http://files.dep.state.pa.us/publicparticipation/marcellusshaleadvisorycommission/marcellusshaleadvisoryportalfiles/m_sac_final_report.pdf)

<sup>100</sup> *Id.* §9.3.9.

<sup>101</sup> *Id.*

<sup>102</sup> *Id.* §9.4.26.

**Pennsylvania**, a former legislative liaison for **BP America**, and a lobbyist for the **American Petroleum Institute**.

- **Terry Bossert**, former general counsel for the DEP, is a vice president at **Chief Oil & Gas**.
- **Terry Engelder**, a geologist at Penn State, is the co-founder of **Appalachian Fracture Systems**, a natural gas consulting firm, and was featured as an expert in *Truthland*, an industry-funded “antidote” to the anti-fracking documentary *Gasland* that was devised by the astroturf group Energy In Depth and executed by political ad agency Strategic Perceptions LLC.
- **David Porges** is CEO of **EQT Corp**.
- **Randy Smith** is a senior vice president and COO of **Range Resources** and is the founder and first chairman of the **Marcellus Shale Coalition**.
- **Chris Helms** is CEO of the gas transmission and storage company **NiSource**.
- **Terry Pegula** is the founder and former owner of **East Resources**.
- **Jeff Kupfer** is a senior advisor in government affairs for **Chevron**.
- **Gary Slagel** is the chairman of the **Pennsylvania Independent Oil & Gas Association** and director of government affairs at **CONSOL Energy**.
- **Anthony Bartolomeo**, identified as the chairman of the **Pennsylvania Environmental Council**, is also the president and CEO of **Pennoni Associates**, an engineering firm active in oil and gas and an associate member of the **Marcellus Shale Coalition**.

One member originally appointed to the Commission, **Dave Spigelmyer**, a vice president for government relations at **Chesapeake Energy**, was asked by Corbett to resign due to the company’s many environmental violations and the injury of three workers at a Chesapeake drilling site. Gov. Corbett did not appoint anyone to fill Spigelmyer’s seat.<sup>103</sup>

The Marcellus Shale Advisory Commission had its precedent in the Energy & Environment Committee of the team Corbett assembled to ease his transition into the governor’s office. This committee, tasked with “reviewing the operations of the state government departments and agencies under the governor’s jurisdiction and [preparing] a transition report for Gov.-elect Corbett,” was also stacked with representatives of drilling companies and energy industry lobbyists.<sup>104</sup> Indeed, three members of the Energy & Environment Committee, including current DEP Secretary **Michael Krancer**, went on to sit on the Marcellus Shale Advisory Commission.

Of the 29 people on Corbett’s Energy & Environment Committee, 16 have ties, either by direct employment or through the companies they work for, to the energy industry. Other than Krancer, they are:

- **Thomas Chiomento**, the director of government affairs for **Exelon**
- **George Ellis**, president of the **Pennsylvania Coal Alliance**
- **John Rich**, president of **Waste Management & Processors, Inc.**, a fuel supplier to the co-generation industry and a mine reclamation company
- **John Skoutelas**, vice president for government affairs at **Waste Management**, which services the fracking industry by disposing of brine in “deep injection wells,” associated with the 2011 spate of earthquakes in eastern Ohio
- **Glen Thomas**, a former Tom Ridge deputy and chair of the Pennsylvania Public Utility Commission, who now runs an energy industry consultancy called **GT Power Group**

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<sup>103</sup> Scott Detrow, “Sources: Corbett asked Chesapeake executive to quit Marcellus Shale Commission”, WITF (April 27, 2011). Accessed at: <http://www.witf.org/state-house-sound-bites/2011/04/sources-corbett-asked-chesapeake-executive-to-quit-marcellus-shale-commission.php>

<sup>104</sup> Kevin Harley, “Gov.-elect Corbett announces members of his transition team”, Governor-Elect Tom Corbett. Accessed at: <http://thenotebook.org/sites/default/files/corbett%20team.pdf>



- **Eric Thumma**, director of institutional relations at **Iberdrola Renewables**, the parent company of which operates natural gas power plants
- **David Hess**, the former DEP Secretary who is now a lobbyist for the gas industry at **Crisci Associates**
- **Mary Jo White**, a state senator with a long career at **Quaker State** which is now owned by **Shell**
- **K. Scott Baker**, another Ridge staffer who now works at **Buchanan Ingersoll & Rooney**, a Marcellus Shale Coalition member lobbying and law firm
- **Rosemary Chiavetta**, who was at the time a lobbyist at **Chiavetta Consulting** with clients including electric utility **Allegheny Energy**, and is currently Secretary of the Public Utility Commission
- **Brian Clark**, the co-chair of the Environmental Practice Group at the Marcellus Shale Coalition member **Buchanan Ingersoll & Rooney** and lobbyist for **Williams Companies** and **Pennsylvania Services Corporation**
- **Peter Gleason**, the former Ridge and Schweiker staffer who is now a partner at **K&L Gates**, a firm that has many fracking industry clients and is itself a member of the Marcellus Shale Coalition
- **David Kleppinger**, an attorney at the lobbying firm **McNees Wallace and Nurick**, which is a **Marcellus Shale Coalition** member and represents **STW Resources**, a firm that processes fracking wastewater
- **Stanley Rapp**, a former state senate employee and founding partner of the Pennsylvania lobbying firm **Greenlee Partners**, which represents a number of energy industry customers
- **Pamela Witmer**, a former Public Utility Commissioner who now works as a lobbyist for the **Bravo Group**, a firm that serves natural gas industry clients

Additionally, two of the committee members, **Ellen Ferretti** and **Don Welsh**, were current vice president and former president respectively of the Pennsylvania Environmental Council. The Pennsylvania Environmental Council has strong ties to the energy industry, nine of the group's 18 board members work for companies belonging to the Marcellus Shale Coalition, and to energy regulation in Pennsylvania. The Council supports fracking for gas in the Marcellus Shale as "the largest environmental and economic opportunity – and challenge – for Pennsylvania."<sup>105</sup>

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<sup>105</sup> "Marcellus Shale development", Pennsylvania Environmental Council. Accessed at: <http://www.pecpa.org/marcellus-shale-development>

# Pennsylvania General Assembly

Pennsylvania's General Assembly, the state legislature, also has ties to the energy industry. A number of State Senators, through their staffers, their family, or in the case of Mary Jo White, their former employment, are linked to the gas industry and to Pennsylvania's regulatory bodies.

## **Mary Jo White (R., 21<sup>st</sup> District)**

Mary Jo White has been the state senator for Pennsylvania's 21<sup>st</sup> district, representing Clarion, Forest, and Venango Counties, and parts of Butler, Erie, and Warren Counties, since 1997. She is the chair of the Senate Environmental Resources & Energy Committee and is a member of the Environmental Quality Board.<sup>106</sup> Prior to her election, she spent 19 years working for **Quaker State**, the motor oil company now owned by Shell. According to Marcellus Money, a project of Common Cause PA and Conservation Voters of Pennsylvania, White has received \$22,200 in donations from the energy industry since 2000.<sup>107</sup>

In February of 2012, White voted along party lines in favor of Act 13, a massive overhaul of Pennsylvania's Oil & Gas Act that superseded local zoning laws around oil and gas development and required doctors informed of the composition of fracking chemicals to sign non-disclosure agreements.<sup>108</sup> White also sits on the state's Environmental Quality Board, a panel that advises the DEP.<sup>109</sup>

White's former aide, Patrick Henderson, is now a member of Tom Corbett's cabinet as the Energy Executive, a post that Corbett created after taking office in 2011.

## **Anthony Williams (D., 8<sup>th</sup> District)**

Anthony Williams was first elected to the state House of Representatives in 1989 and moved up to the state Senate in 1998, where he represents the 8<sup>th</sup> senate district, representing Philadelphia.<sup>110</sup> He is one only five state senate Democrats to vote in favor of Act 13.

Williams' wife, **Shari Williams**, is a former communications specialist for the Pennsylvania Public Utility Commission, and is now an outreach coordinator for the **Marcellus Shale Coalition**.<sup>111</sup>

## **Brian Grove**

Brian Grove is the former chief of staff to State Senator Lisa Baker (R., 20<sup>th</sup> District) and is now a senior director for corporate development with **Chesapeake Energy**; he also worked in Tom Ridge and Mark Schweiker's administrations.<sup>112</sup> Grove sits on the board of the **Pennsylvania Environmental Council** (PEC), an environmental group with strong ties to both the gas industry and Pennsylvania's regulatory

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<sup>106</sup> "Profile", State Senator Mary Jo White. Accessed at: <http://senatormjwhite.com/profile.htm>

<sup>107</sup> "White, Mary Jo", Marcellus Money. Accessed at: <http://marcellusmoney.org/candidate/white-mary-jo/>

<sup>108</sup> "2011 House Bill 1950: Environmental Resources; Oil and Gas (Senate Roll Call 513)", Commonwealth Foundation for Public Policy Alternatives. Accessed at: <http://pennsylvaniavotes.org/RollCall.aspx?ID=603799>

<sup>109</sup> "Environmental Quality Board Membership List", Department of Environmental Protection. Accessed at: <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=589177&mode=2>

<sup>110</sup> "Biography", State Senator Anthony H. Williams. Accessed at: <http://www.senatoranthonyhwilliams.com/sen-anthony-h-williams/about/biography>

<sup>111</sup> Andrew Maykuth, "Marcellus group hires former PUC official for Philadelphia outreach", *The Philadelphia Inquirer* (August 16, 2012). Accessed at: [http://articles.philly.com/2012-08-16/news/33217440\\_1\\_shale-coalition-puc-outreach](http://articles.philly.com/2012-08-16/news/33217440_1_shale-coalition-puc-outreach)

<sup>112</sup> Evamarie Socha, "Natural gas drillers try to ease fears", *The Daily Item* (November 28, 2010). Accessed at: [http://dailyitem.com/0100\\_news/x161017112/Drillers-try-to-ease-fears/](http://dailyitem.com/0100_news/x161017112/Drillers-try-to-ease-fears/)

bodies, along with Marcellus Shale Advisory Commission member Anthony Bartolomeo.<sup>113</sup> This June, PEC awarded Tom Ridge, the former governor and Marcellus Shale Coalition lobbyist, a lifetime achievement award for “champion[ing] the idea that the economy and environment can prosper in harmony and that sustainability should be part of government.”<sup>114</sup>

#### **Spotlight on: Pennsylvania Environmental Council and Manko Gold Katcher & Fox**

The Pennsylvania Environment Council is an environmental group with five regional offices throughout the state. Three of PEC’s four corporate officers come from companies that belong to the Marcellus Shale Coalition, including chair **Anthony S. Bartolomeo**, the President & CEO of Pennoni Associates and environmental representative on Governor Tom Corbett’s Marcellus Shale Advisory Commission. Further, nine of the group’s 18 board members come from groups belonging to the Marcellus Shale Coalition, including Shell Oil, Chesapeake Energy, and Exelon Corporation.

One of these companies, the law firm Manko Gold Katcher & Fox, is strongly tied to shale gas regulation as well. Two Manko Gold partners are on the PEC board, including the board vice chair, Carol F. McCabe. Before working for Chief Oil & Gas, former DEP general counsel **Terry Bossert** worked at Manko Gold (he was also on the Marcellus Shale Advisory Commission). Name partner and PEC director emeritus Joseph M. Manko sits on the Environmental Hearing Board, the body that hears appeals from DEP actions. Another name partner, Marc E. Gold, is an attorney for the Marcellus Shale Coalition itself.

The Pennsylvania Environmental Council awarded former Marcellus Shale Coalition lobbyist and Pennsylvania governor Tom Ridge a lifetime achievement award in June 2012.

#### **Stanley Rapp**

Stanley Rapp is a founding partner of **Greenlee Partners**, a lobbying firm with offices in Harrisburg, Philadelphia, Pittsburgh, and Washington. The firm’s close ties to Tom Ridge and Ed Rendell were noted in the August 2002 newsletter, “The Insider”, and its former lobbyists include former Ridge chief of staff and current partner at Ridge Policy Group, Mark Campbell, and former Pennsylvania Department of Health Policy director and current Marcellus Shale Coalition government affairs director Amber Benzon.

Greenlee serves a number of companies in the energy industry including:

- **CONSOL Energy**, the coal mining company that recently acquired CNX gas
- **Energy Transfer Partners**, a gas pipeline company
- **NextEra Energy**, an electricity wholesaler that operates natural gas power plants
- **NiSource**
- **PPL**
- **Range Resources**
- **UGI**, an electric and gas utility<sup>115</sup>

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<sup>113</sup> “Board and Governance Documents”, Pennsylvania Environmental Council. Accessed at: <http://www.pecpa.org/board/>

<sup>114</sup> “Former Governor Tom Ridge to Receive Lifetime Achievement Award from PEC”, Pennsylvania Environmental Council (May 7, 2012). Accessed at: <http://www.pecpa.org/release/former-governor-tom-ridge-receive-lifetime-achievement-award-pec/>

<sup>115</sup> “Our Clients”, Greenlee Partners. Accessed at: <http://www.greenleepartners.com/clients.php>

Before founding Greenlee Partners in 1985, Rapp was a chief of staff to Pennsylvania State Senate President Pro Tempore Henry Hager (R., 23<sup>rd</sup> District) and chief clerk of the Pennsylvania State Senate.<sup>116</sup>

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<sup>116</sup> “Stanley I. Rapp – Partner”, Greenlee Partners. Accessed at: <http://www.greenleepartners.com/people.php>

# Other Revolving Door Ties

Several other notable Pennsylvania regulators have significant industry ties.

## **Pamela Witmer (Public Utility Commissioner)**

Pamela Witmer is a Pennsylvania Public Utility Commissioner, appointed in June 2011 by Gov. Tom Corbett.<sup>117</sup> Previously, Witmer led the energy and environment practice for the **Bravo Group**, a lobbying firm that represents a variety of gas industry clients, such as:

- **Chief Oil and Gas**, a exploration and production company active in the Marcellus Shale
- **GenOn Energy**, a power company whose merger with NRG Energy is expected to close in early 2013
- **Peoples Natural Gas**, a Pennsylvania gas utility
- **Peoples TWP**, a related gas utility
- **SteelRiver Infrastructure Partners**, an equity firm invested in Peoples Natural Gas, Peoples TWP, and the Natural Gas Pipeline Company of America
- **PPL**, a family of gas and electric companies<sup>118</sup>

Witmer was President and CEO of the **Pennsylvania Chemical Industry Council** before she lobbied for the Bravo Group, and prior to that she was former Gov. Tom Ridge's chief legislative liaison.

As a Pennsylvania Public Utility Commissioner (PUC), Witmer is tasked with regulating the state's natural gas, electric, water, and telecommunications utilities. After the General Assembly passed Act 13 in February 2012, the PUC also considers challenges to local ordinances seeking to regulate oil and gas drilling for environmental issues, setbacks, and boundaries.<sup>119</sup>

## **Wayne E. Gardner (Public Utility Commissioner)**

Wayne E. Gardner was confirmed as a Public Utility Commissioner in June 2008. Previously, he had a more than 20-year at **PECO Energy**, a Pennsylvania electric and gas utility acquired by **Exelon Corporation** in 2000.<sup>120</sup>

## **Glen Thomas (former Public Utility Commission chair)**

Glen Thomas was appointed as the chair of the Public Utility Commission in 2001 after serving as deputy director of Gov. Tom Ridge's policy office.<sup>121</sup> In 2005, Thomas joined the law and lobbying firm **Blank Rome LLP** as a partner. He now runs an energy industry consultancy called **GT Power Group** and served on Gov. Tom Corbett's Energy and Environment transition committee in 2011.<sup>122</sup>

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<sup>117</sup> "About PUC – Commissioners", Pennsylvania Public Utility Commission. Accessed at: [http://www.puc.state.pa.us/about\\_puc/commissioners.aspx](http://www.puc.state.pa.us/about_puc/commissioners.aspx)

<sup>118</sup> "Clients", The Bravo Group. Accessed at: <http://www.thebravogroup.com/clients/>

<sup>119</sup> Janice Crompton, "Resident challenges: PUC to review some local Marcellus drilling laws", *Pittsburgh Post-Gazette* (September 27, 2012). Accessed at: <http://www.post-gazette.com/stories/local/neighborhoods-south/resident-challenges-puc-to-review-some-local-marcellus-drilling-laws-655097/>

<sup>120</sup> "About PUC – Commissioners", Pennsylvania Public Utility Commission.

<sup>121</sup> "Leadership", GT Power Group. Accessed at: [http://gtpowergroup.com/index/?page\\_id=8](http://gtpowergroup.com/index/?page_id=8)

<sup>122</sup> Kevin Harley, "Gov.-elect Corbett announces members of his transition team", Governor-Elect Tom Corbett.

**Shari Williams (former Public Utility Commission communications specialist)**

Shari Williams, the wife of State Senator Anthony H. Williams, worked for the PUC for 17 years as a communications specialist in Eastern Pennsylvania before being hired by the **Marcellus Shale Coalition** as an outreach manager for the Philadelphia area.<sup>123</sup>

**Amber Benzon (former Department of Health policy director)**

Amber Benzon was a policy director at the Pennsylvania Department of Health until she was hired by the **Marcellus Shale Coalition** in October 2011.<sup>124</sup> The press release announcing Benzon's hiring describes her as "among the first government relations professionals in the Commonwealth engaged in Marcellus Shale-related policy decisions."

Prior to working for the Department of Health, Benzon was a lobbyist with **Greenlee Partners**, a Pennsylvania lobbying firm that has been home to numerous Pennsylvania public officials and serves many clients in the natural gas industry. With Greenlee Partners, Benzon was registered as a lobbyist for the Marcellus Shale Coalition.

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<sup>123</sup> Andrew Maykuth, "Marcellus group hires former PUC official for Philadelphia outreach", *The Philadelphia Inquirer* (August 16, 2012).

<sup>124</sup> "MSC Team Expands, Adds Staff Leads on Government Affairs, Finance", Marcellus Shale Coalition (October 6, 2011). Accessed at: <http://marcelluscoalition.org/2011/10/msc-team-expands-adds-staff-leads-on-government-affairs-finance/>

# Conclusion

Regulators and other public officials at the state level are supposed to play a critical role in policing industries that pose a threat to the environment and public health. The prospect of lucrative industry employment for regulatory and political insiders has a corrupting effect on this process, to the point where the line between government and industry blurs and the public bodies that are supposed to regulate industry instead become captured by it.

This process has played out in Pennsylvania over the last several years. As this report documents, dozens of energy industry regulators from multiple levels of Pennsylvania state government have passed back and forth through a handful of energy companies and the prominent law and lobbying firms that represent them. At the same time, there are significant gaps in Pennsylvania's regulation of fracking. Ensuing mishaps have made the state a cautionary tale for other governments considering whether to allow the practice.

The revolving door data documented in this report raises serious questions about the system of incentives in play for regulators and politicians in other states, as well.

In particular, New York State's regulatory officials now face a historic decision on the issue of fracking. Will they serve the public interest, or will they be guided by the system of incentives that has captured so many former Pennsylvania public officials?

## Appendix: Methodology

This report was researched through searches of news reports, press releases about companies' new hires, lists of corporate and non-profit boards, employee biographies, and Pennsylvania lobbying disclosure filings. We also acknowledge the blogger Dory Hippauf for her "Connecting the Dots" series, which helped fill in gaps in our data and served as a jumping-off point for this project.

Data was aggregated and analyzed using PAI's LittleSis.org database, an open database of who knows who in business and government. LittleSis (the opposite of "Big Brother") tracks powerful people and organizations and the relationships between them. Using LittleSis, researchers can track and analyze complex sets of connections, such as those documented in this report.

The data in this report can be found on LittleSis by viewing the profile pages for individuals on the site's "Pennsylvania Fracking Revolving Door" list:

[http://littlesis.org/list/339/Pennsylvania\\_Fracking\\_Revolving\\_Door](http://littlesis.org/list/339/Pennsylvania_Fracking_Revolving_Door)

Data can also be added to LittleSis by registering for free: <http://www.littlesis.org/join#signup>