Assessing the Potential for Self-Regulation in the Shale Gas Industry

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Many environmental risks associated with unconventional shale gas development are unregulated at the federal level. While some states are moving quickly to address these risks, others have been slow to act. Self-regulation by firms involved in shale gas development could fill gaps in government regulatory programs and perhaps even foster higher levels of environmental responsibility and leadership. This paper considers the potential for businesses involved in shale gas development to self-regulate with respect to their environmental performance. It focuses on shale gas well operators in Pennsylvania, the home of one of the largest shale gas formations in the world, the Marcellus Shale. It describes the characteristics of these firms and considers how those characteristics might help or hinder a self-regulatory program. It also considers the self-regulatory efforts Pennsylvania operators have undertaken to date, and offers suggestions for possible next steps.

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