

Marcellus will create thousands of jobs, forum speakers say

By Roger Neumann • rneumann@gannett.com • March 19, 2010, 7:30 pm

If the Marcellus Shale development in the Southern Tier of New York follows the pattern of the Northern Tier of Pennsylvania, then the region could be looking at thousands of new jobs being created over the next few years.

"For a rural region, folks, that is significant," one of the speakers said Friday at the Chemung County Chamber of Commerce's 17th annual Economic Forum at the Holiday Inn-Riverview in Elmira.

The speaker was Larry Michael, executive director for Workforce and Economic Development at the Pennsylvania College of Technology.

Michael said that after a "frenzied stage of leasing" about two years ago, mostly in the five-county Northern Tier and nine counties in central Pennsylvania, he and others embarked on a study of natural gas drilling and the effects it was having, and could have, on communities in those regions.

Teaming with Penn State Cooperative Extension, Michael and others formed the Marcellus Shale Education and Training Center. He said representatives visited Texas and other locations where similar drilling is being done, and met with energy companies and service companies that work with them, along with community leaders.

What they learned is that job opportunities increase "dramatically" as drilling increases. And, Michael

said, "It is happening now" in Pennsylvania.

Michael's talk followed presentations by Mike Atchie, a local government specialist for Chesapeake Energy Corp., and Duncan Newlands, the operations manager for Schlumberger Well Services Northeast U.S. Division, which is operating now at The Center at Horseheads.

Also on the panel was Richard Stedman, associate professor in the Department of Natural Resources at Cornell University.

Opponents of natural gas drilling demonstrated peacefully outside the Holiday Inn, some carrying signs that said "Protect Our Water" and "Drilling Makes No Healthy Sense." Others handed out literature supporting their position.

"We're here today because we feel that the information that's being delivered at the economic forum is not total and complete," said Dave Walczak of Bath, who said supporters of drilling were ignoring the potential threat to water sources.

Inside, chamber President Kevin Keeley said, "This is an economic forum of the chamber of commerce. It may be appropriate to have an environmental forum, but this was not meant to be a public hearing or a debate or a discussion on this. It was meant to be a one-sided informational presentation."

Chemung County Executive Tom Santulli moderated the breakfast program and made opening and closing remarks.

"We're not here to sell anything," Santulli said to open the program. "We're here to educate people -- to learn, to ask questions and to grow."

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'We can do it safely'

Santulli set the stage by pointing out that Chemung County's unemployment rate is 9.4 percent, which he said ranks 27th out of 62 counties in New York state.

"This is an opportunity for this county and this region to be reborn," he said. "We can do it and we can do it safely and we can make this a better place to live and work."

Newlands appeared the day after a judge dismissed a lawsuit filed against the village of Horseheads by a group of residents who objected to how the Schlumberger project was approved. He said the company now will be "full steam ahead" on its work at that site.

He said Schlumberger has 170 employees at the site, of which he said more than 100 had been hired locally.

Atchie said natural gas is "clean, abundant, affordable and American." He said Chesapeake, which he called "the second largest producer and most active driller" in the Marcellus Shale, believes that natural gas field will become the largest in the United States.

He talked about the activity in the Northern Tier and said, "We look at all the wonderful things that are happening in Pennsylvania, just over our border, and we really think those things can be brought to New York."

Demand for workers

Michael, pointing out that he was appearing at the forum as an educator and not as a representative of the natural gas industry, said perhaps as much as 90 percent of the drilling going on in Pennsylvania is happening in the Northern Tier and central regions.

He said his center's study estimated that by 2013 the Marcellus Shale operations will create about 4,000 new jobs in the Northern Tier alone, and between 8,000 and 10,000 jobs combined in the Northern Tier and central Pennsylvania.

Michael said those would be only jobs directly related to the industry. He said the study did not estimate how many indirect jobs would be created in other sectors of the economy, but he said a fair estimate is that every direct job results in 1.5 indirect jobs -- or a total of perhaps 20,000 or so.

"The numbers are just staggering, absolutely staggering," he said.

Michael said schools and businesses need to be brought into play to prepare workers for those jobs, some of which will require specialized training.

When asked by Santulli, Michael said his center would share its resources with local officials as they undertake studies of their own.

Ask the right questions

Stedman said that, at Cornell, "we're basically trying to catch up" with the research that Michael's group has done.

He said that, as a scientist, he's generally skeptical. For example, he said:

"This is a very vulnerable region economically. So what that means is that in some ways it makes us more vulnerable to claims about job creation.

"We need to be asking questions about whom, where, what kinds of benefits, and over what time frame. We need to make decisions and move

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forward.

"Once the drilling starts, once the resource is coming out of the ground, a lot of the excitement and the attention are going to go away. We need to make a commitment to keep track of the well-being of our environment, of our economic systems and of our social systems over time."

But, he concluded, "We believe that some very exciting things are happening and there are some interesting times ahead."

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