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UPDATE:New York Congressman's Lead Slips As Gas-Drilling Fight Heats Up

(Updates with comment from Rep. Hinchey's campaign, including data on Hinchey's own internal polls.)

By Siobhan Hughes
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A longtime Democratic congressman is facing a tough re-election, partly because some voters in one of the poorest parts of New York State see his careful approach to gas drilling as an obstacle to financial gain.

In 2008, Rep. Maurice Hinchey (D., N.Y.) won his seat in a landslide, picking up 66% of the vote over Republican challenger George Phillips. The race between the two men this time around is a dead heat, according to internal polling by Phillips that a month ago put Hinchey at seven percentage points ahead. Political website Real Clear Politics on Thursday downgraded Hinchey's chances, putting his seat into the "leans Democratic" category from "likely Democratic."

Internal polling by Hinchey's campaign says the congressman has a lead of 19 percentage points -- based on what the staff says is more accurate polling. Even so, the lure of hundreds of millions of dollars for leases -- including \$350 million alone to one group of landowners -- is the deciding factor for some voters in cash-poor but gas-rich parts of New York. They see Hinchey, who helped push the U.S. Environmental Protection Agency to study the effect on drinking water of a relatively new technique for gas drilling, as a barrier to better economic times.

"He's against drilling and I told him to his face that I would do everything in my power to make sure that he never gets re-elected," said Inge Grafe-Kieklak, who describes herself as a Sullivan County homemaker who voted for Hinchey in 2008. With more than 180 acres of land to lease and a 22% decline in revenue from her husband's outdoor-advertising business over the last year, "Mr. Hinchey doesn't understand with his actions he hurts everybody."

Bill Graby, a dairy farmer who is the co-head of a landowners group that owns about 70,000 acres and hopes to negotiate for payments of about \$5,000 an acre, or a total \$350 million, agrees. "This is the first time in my life that I will ever vote a straight Republican ticket," he said. He voted for Hinchey two years ago.

"About 90% of the farmers -- we live in poverty," Graby said, explaining that he is paid 90 cents for each gallon of milk while costs to feed his cows are rising. "How much more can the person that wants to live here and run a business take? We are carrying everything."

In Sullivan County, in the Catskill Mountains in the southern part of New York State about 75 miles northwest of New York City, the average annual pay is about \$35,000, according to Labor Department data.

The animosity is a far cry from the accolades that Hinchey received in Binghamton, New York, in September, when the EPA held a forum on its plans to study the effect of gas drilling on drinking water. Hinchey received cheers and applause after a speech in which he called hydraulic fracturing --

one of the key techniques that allows access to vast supplies under the Marcellus Shale formation, which extends from Ohio and West Virginia into southern New York -- a "harm-causing drilling technique."

But it wasn't clear that the audience matched his voting base. People who have a second home in the district -- but vote elsewhere -- attended the forum, as did environmentalists and pro-drilling advocates from outside of the district. In Broome County, the home to Binghamton, there are 42,532 registered Democrats and 43,330 registered Republicans, with some 18,890 people not registered in support of either party, according to the county board of elections.

In an interview on Thursday, Phillips said that his campaign is seeing "strong support in the Binghamton area."

Earlier this week, Phillips visited a Chesapeake Energy Corp. (CHK) gas-drilling operation in Pennsylvania and saw "jobs everywhere, people building roads, construction workers."

He concluded that drilling in New York's shale region could be done safely and produce "a boon for our economy," while subjecting drilling to EPA safe-drinking water regulations as Hinchey has proposed would "delay the process."

The race has become so competitive that former U.S. President Bill Clinton flew into the district to shore up support for Hinchey. Meanwhile, American Crossroads, the organization formed by Republican strategist Karl Rove, last week poured almost \$300,000 into the race -- about as much as Phillips raised in the total campaign.

Phillips's visit to the Chesapeake facility came one month after Pennsylvania environmental regulators ordered Chesapeake to inspect the well casings of 171 gas wells in the state after methane was discovered leaking from six wells in Bradford County. The wells weren't yet producing gas and though they had been drilled, the company hadn't yet started to crack open the gas containing rock by using hydraulic fracturing and horizontal drilling.

Hinchey spokesman Jeff Lieberson said that "it's not fair to point at any one thing" as evidence of the risks of gas drilling, but said that the activity needs oversight because "you only get one shot at getting this right."

He also said that people living in the southern tier of New York would recognize the benefits of keeping Hinchey in place on the House Appropriations Committee, a slot the lawmaker has used to steer federal money to defense companies in the district and to alternative energy projects.

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(Matt Day contributed to this article.)