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New York Governor Vetoes Fracking Bill

By [TOM ZELLER JR.](#)

Associated Press Protesters opposed to drilling in the Marcellus shale make their way to a drilling conference in Pittsburgh last month.

Gov. David A. Paterson of New York on Saturday vetoed legislation intended to curtail natural gas development using the technique called hydraulic fracturing until a closer review of its effects can be undertaken.

Instead, the governor [issued an executive order](#) instituting a moratorium that extends until July 1, 2011 — beyond the date specified in the legislation — and that more narrowly defines the types of drilling to be restricted.

“This legislation, which was well intentioned, would have a serious impact on our state if signed into law,” Mr. Paterson said in a prepared statement. “Enacting this legislation would put people out of work — work that is permitted by the Department of Environmental Conservation and causes no demonstrated environmental harm, in order to effectuate a moratorium that is principally symbolic.”

The [legislation](#), which was [passed by the New York State Assembly](#) late last month before being sent to Mr. Paterson for his signature, would have placed a moratorium on issuing new permits for gas drilling that relies on hydraulic fracturing, or fracking.

The controversial method uses the high-pressure injection of water, sand and a variety of chemicals to crack and prop open shale seams and more economically release gas deposits. Industry groups have argued that the process is safe, but opponents fear that those chemicals, or displaced natural gas, could be leading to the contamination of drinking water in places where fracking is already well under way, including large portions of Pennsylvania.

The legislation would have blocked new permits for drilling that uses fracking until May 15, 2011.

But industry representatives complained that such a sweeping moratorium would outlaw virtually all drilling in New York, including in its portion of the Marcellus shale, a vast and deep deposit of natural gas stretching under several states.

Mr. Paterson’s veto, and the subsequent executive order, appeared aimed at distinguishing between vertical wells and newer “horizontal drilling” techniques, in which gas drillers plumb the underground shale seams laterally. The governor’s order restricts permits for “high-volume, horizontal hydraulic fracturing.”

Most modern wells that use fracking are, in fact, horizontal wells, but the industry welcomed the governor's veto as staking out middle ground.

"We are very pleased that the governor saw the bill for what it was – a flawed piece of legislation replete with unintended and dire consequences for the people and businesses in our industry." said Brad Gill, the executive director of the [Independent Oil & Gas Association of New York](#), in a statement.

"Our members are aware of the considerable pressure put upon lawmakers and the governor to approve this bill," he added. "We're hopeful that the governor's veto today will set the stage for a more reasoned and rational public discussion about these issues going forward."

Craig Michaels, the watershed program director for the environmental group [Riverkeeper](#), welcomed the longer moratorium, but expressed concerns that the governor's order provides a potential loophole for companies.

"By carving out an exception for vertical wells that do not even exist yet, the governor did not save any jobs and did not assure the proper protection of water quality statewide," Mr. Michaels said in an e-mail. "The environmental community will be watching closely to assure that industry does not side-step environmental review by conducting an onslaught of vertical drilling and then converting those vertical wells to horizontal wells."

The news comes on the heels of [proposed new fracking regulations](#) by the Delaware River Basin Commission, a regional regulatory agency that oversees the Delaware River watershed in New York, Pennsylvania, New Jersey and Delaware. Those proposed rules were promulgated by three of the four governors that make up the commission.

Governor Paterson objected, stating in a letter that they "could well conflict with the technical and regulatory protocols ultimately adopted in New York, causing confusion, duplication, redundant regulatory fee assessments, differing regulations in different locations and possible mismanagement."

Interior Secretary Ken Salazar [suggested late last month](#) that he was considering requiring gas companies more to more fully disclose the chemicals they use during fracking – a cocktail that many companies guard as trade secrets.

The Environmental Protection Agency is also conducting a two-year investigation of hydraulic fracturing and its potential effects on ground water.