

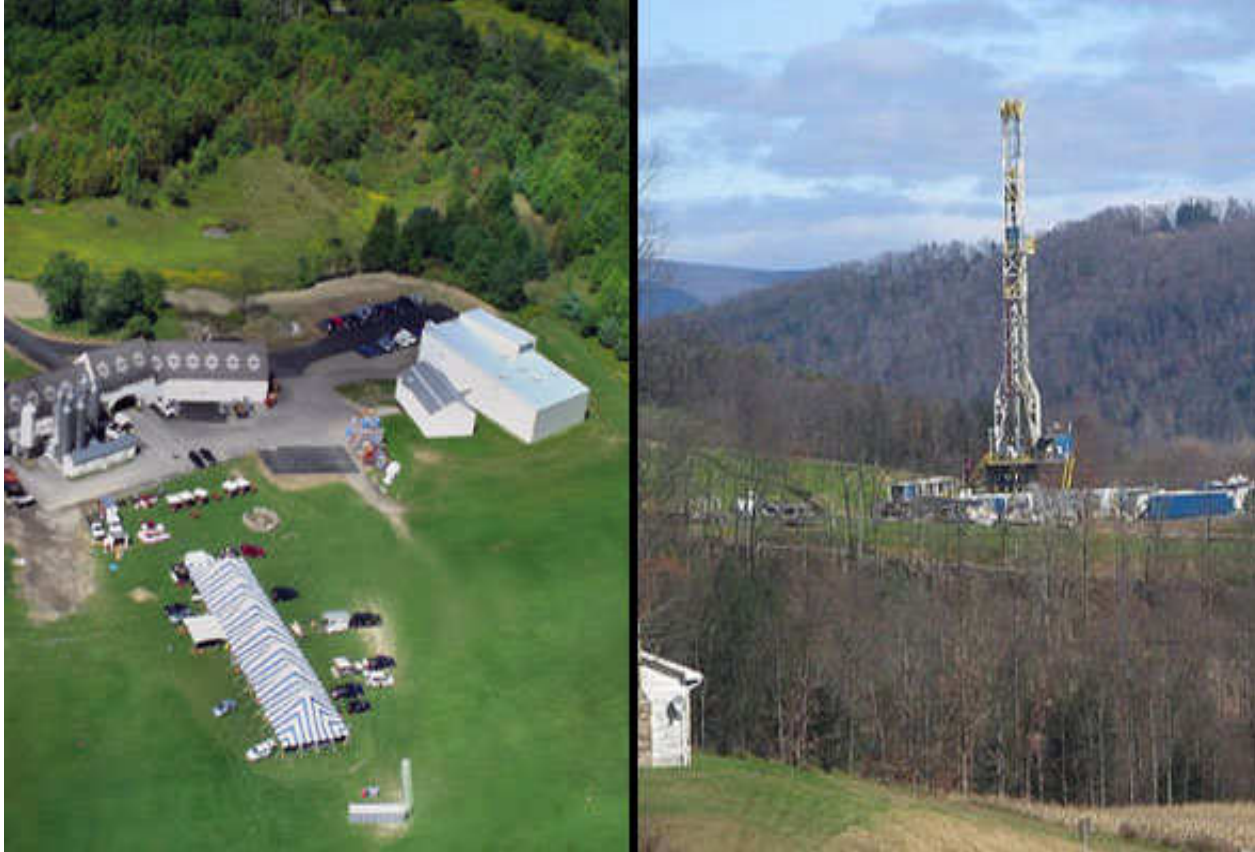


# New York Wine and Tourism Industry Prepares To Battle Hydrofracking

Thursday, 24 February 2011

Written by [Peter Mantius](#)

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*Brewery Ommegang, a Belgian-owned brewer and importer (shown from an aerial view), relies on pure well water from two aquifers near Cooperstown, N.Y. Credit: Brewery Ommegang. Photo of the drilling tower: Ruhrfisch / wikicommons*

A fault line is opening in upstate New York between the established wine and tourism industries and natural gas drillers.

On Feb. 11, the Chamber of Commerce in the postcard-quaint lakefront village of Cooperstown, N.Y., home of the Baseball Hall of Fame, passed a resolution stating that plans for drilling pose a direct economic threat to its 530 members.

Days later, the town of Jerusalem in wine country above Lake Keuka 130 miles west of Cooperstown, voted unanimously for a 12-month drilling moratorium, set to begin when the state's own moratorium expires later this year.

Several other small New York towns, including Ulysses near Lake Cayuga, are exploring legal options to ban or restrict intensive energy exploration.

They are relatively isolated cases, but they show that recent steps by the cities of Pittsburgh, Philadelphia and Buffalo to limit or ban drilling seem to be spreading in the rural heart of the gas-rich Marcellus Shale region.

“There is somewhat of a groundswell, an organized effort” to block drilling, said Lindsay Wickham, a field supervisor for the New York State Farm Bureau, which represents agricultural interests and backs gas drilling.

The Farm Bureau and other supporters tout drilling as a potential economic windfall for the state. But a growing number of communities – particularly those close to the region’s lakes – expect the net economic impact to be negative, and they’re fighting back.

“Any potential threat to our water supply is a threat to our business and livelihood,” said Simon Thorpe, president and CEO of Brewery Ommegang, a Belgian-owned brewer and importer with annual sales near \$30 million. It employs 40 people near Cooperstown and Lake Otsego and 22 others around the country.

Ommegang relies on two wells that tap separate aquifers. “Upstate New York water has a reputation around the country. It’s very good. It has the right balance of minerals,” he said.

Thorpe, a board member of the Cooperstown chamber, urged the group to take a public stand in the form of a two-page statement that concluded:

“[Industrial-scale gas drilling] puts at risk much of the local economy, ranging from hotel and tourism to restaurant and retail business, most of which are driven by the hundreds of thousands of tourists who choose to visit the region every year.”

The chamber’s executive director, Susan O’Handley, polled her members, many of them museums, restaurants and bed and breakfasts catering to tourists. Of those members who responded, 87 percent agreed to sign on, O’Handley said.

Only a few miles away, hardscrabble local farmers take a sharply different view.

“Cooperstown is Cooperstown. How can I be kind? Beautiful town. Candles in the windows,” said Richard Downey, a leader of a coalition of Otsego County landowners who hope to cash in on gas drilling leases on their properties. “But this is a class war. It’s failing dairy farmers against second home owners, people who work with their hands versus professionals and retirees. It’s fancy brews versus Genny Ale.”

Downey’s group, the Unatego Area Landowners Association, has roughly 300 people who hold 31,000 acres, mostly in Otsego County. Like dozens of other coalitions in the region, it is made up of landowners who banded together to seek favorable lease terms from drillers.

Because financial returns on farming have collapsed in recent years, many families that have held large tracts for generations are in desperate straits. Lucrative gas leases offer them a chance to prosper, or at least pass the farm down to the next generation.

“I do sympathize with the farmers who see this as the only way to make headway on their debt,” said Ellen Pope, executive director of Otsego 2000, a non-profit group organized to block gas drilling. “We need more equity in what farmers get paid for what they produce. They are just trying to make it.



*Photo: Simon Thorpe, president and CEO of Brewery Ommegang, toasts with Laurent Demunck, the executive he succeeded. Thorpe says hydrofracking poses a direct threat to his \$30 million business. Credit: Brewery Ommegang*

“But they are not being told the full impact of their decision. More and more co-ops won’t buy from farmers who have leases.”

Of course, not all coalition landowners are struggling farmers. Downey estimated that roughly one-third of the members of his group are absentee owners who simply want to take advantage of gas leasing as an economic opportunity.

Roughly 60,000 acres of Otsego County, or 6 percent of its one million acres, have already been leased, much of it to the Canadian energy exploration company Gastem Inc.

Leasing has been at least that intensive in many upstate New York counties. The energy industry’s main target is the Marcellus Shale, a gas-rich deposit that is already being mined extensively in Pennsylvania with a relatively new drilling technique commonly known as hydrofracking.

New York still bans the practice, but has been drawing up rules to allow it. The delay is a result of public outcry over the environmental consequences of the technique, which involves horizontal drilling along the shale deposit and the use of sand, toxic chemicals and up to 5 million gallons of water per well to crack the rock and free trapped gas.

The energy industry and its supporters have downplayed the potential risks of hydrofracking and promoted it as a means to unlock huge stores of domestic energy and inject new life into an economically depressed region.

That argument is persuasive to most local chambers of commerce in upstate New York.

“We support natural gas drilling, horizontal hydrofracking,” said Kevin Keeley, president of the Chemung County Chamber of Commerce. “There is a concern in tourism-intensive communities that drilling of any kind will jeopardize their market appeal. But our study in Chemung has shown those fears are largely unfounded.”

Chemung bills itself as a “gateway to the Finger Lakes,” but the county sits on the Pennsylvania state line, and it’s a shorter drive from its largest town, Elmira, to hydrofracked wells in Pennsylvania than to any of New York’s Finger Lakes.

The county does boast several tourist draws, including the octagonal study in which Mark Twain wrote *The Adventures of Tom Sawyer* and an annual soaring event. On the other hand, one of its towns waived a full environmental impact statement in its successful bid to attract a Schlumberger facility that supplies sand, chemicals and explosives to gas drillers within a 300-mile radius.

Keeley said the Chemung Chamber seeks to balance its tourism and industrial economies. He said its strong pro-drilling stance is “in sync” with the Farm Bureau’s position on the issue.

The Farm Bureau’s 2011 legislative agenda calls for Gov. Andrew Cuomo to finish up the state review of



*Joyce and Art Hunt, owners of Hunt Country Vineyards of Branchport, N.Y., see hydrofracking as a threat to their way of life. Their infant grandson represents the seventh generation of the family living on the property. Credit: Hunt Country Vineyards*

hydrofracking and to start issuing drilling permits. Wickham noted that the pro-drilling stance comes with a long list of qualifiers aimed at protecting both landowners and the environment.

In 2009 and 2010, as battle lines between “pro” and “anti” drilling forces were taking shape, the Farm Bureau took a rather low-key role. It urged farmers to seek legal advice before signing any gas lease presented by an energy company salesman, and it promoted responsible landowner coalitions as a way to obtain that legal protection.

It also took pains to keep wineries from falling into the “anti” camp.

In April 2010, Wickham met with members of the Seneca Lake Wine Trail, a group of 34 wineries situated on the slopes of the largest of the Finger Lakes. His message was that hydrofracking the Marcellus Shale in New York could have a huge economic impact on the region. He downplayed opponents’ fears about the lack of planning to deal with hydrofracking wastewater.

Some Seneca Wine Trail members wanted the group to publicly oppose hydrofracking, Wickham recalled. “I said, ‘Why would you do that? You would be dividing your members. Some want it, some don’t.’”

Paul Thomas, executive director of the wine trail group, said Wickham gave a balanced presentation on the potential dangers and opportunities of gas drilling. He said others – on both sides of the issue – have since asked to speak to his group to get them to “buy in” to their viewpoint. But Thomas has closed that door, favoring neutrality.

“Virtually every owner has more pressing issues – rules for shipping wine out of state, selling wine at grocery stores,” he said.

Thomas acknowledged that although natural gas development is a second tier threat to many wineries today, “it could abruptly become something important.”

It was an immediate threat last spring that mobilize Joyce and Art Hunt, owners of the Hunt Country Vineyards in Branchport, one of the region’s oldest and largest wineries.

Early last year, a unit of Chesapeake Energy proposed to dump hazardous hydrofracking wastewater from Pennsylvania into an old well in Pulteney on a scenic bluff overlooking Keuka Lake. The site is several miles south of the Hunt complex, property that’s been in the family for six generations.

The well’s driveway opens onto the Keuka Lake Wine Trail. That means tanker truck traffic was to share the road on the scenic bluff overlooking the distinctive Y-shaped lake with limos full of tourists on wine-tasting romps.

After a storm of protest from wineries and other local residents, Chesapeake withdrew its plan.

Hunt considered that a close call. In the wake of the victory over Chesapeake, he said that if hydrofracking comes to the Finger Lakes, “suddenly we’re no longer pristine. We’re an industrial zone.

“Short-term, there will be damage to the roads, driving away tourism, bad publicity. Long-term, there will be leaks and spills that poison the aquifers.”

On Feb. 15, Hunt was one of the speakers who crowded into a meeting in Jerusalem to speak in favor of a moratorium on hydrofracking in the Yates County town.

Peter Gamba, chairman of the Committee to Protect the Finger Lakes and a Jerusalem resident, noted that Yates County had already passed a resolution asking the governor to treat its water sources with the same strict standards applied to New York City's water. Yates, which sits between Lake Keuka and Lake Seneca, is the heart of the Mennonite farming community and one of the state's leading centers of organic farming.



**Helen Slottje**  
Senior Attorney, Community Environmental Defense Council  
*Just Say No! Using Local Land Use Control to Prohibit Industrialization*

There is a legal question as to whether towns and counties have the authority to block gas drilling, given that it is the state – not local governments – that issue drilling permits and regulate their operation.

*Helen Slottje, an attorney from Ithaca, N.Y., argues that communities have the authority under land use law to ban heavy industry, including hydrofracking.*

But Helen Slottje, a Harvard-trained lawyer who works for a local non-profit, has been developing a legal theory that may open the door for more local restrictions. Working for the town of Ulysses, just west of Cayuga Lake, Slottje argues that while communities can't regulate drilling, they retain the right to institute outright bans on industrial development through zoning restrictions.

Her theory has yet to be tested in court, but several towns are reviewing it as a potential basis for restrictions of their own.

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Richard Downey's group, by his own admission, is heavy on absentee land-owners, who are seeking only to extract profits from upstate NY and transfer them elsewhere. As to the class-warfare nonsense: Brewery Ommegang has signed up 200+ area and regional businesses to support our position, and they are owned by local people who don't want their rural homeland to be industrialized by the gas industry. The Cooperstown Chamber alone has over 500 members, and by definition they are all local businesses. Downy is the one who WANTS to institute class warfare: It's his investing class, behind the drilling companies, who are going to assault everyone who lives in upstate. The idea that everyone will benefit from energy extraction? Sure..think of all those wealthy PA and West VA coal-miners. This is nothing but a power play by those who have, playing the don't-haves against each other, and then planning to walk off with the loot while the don't-have's pick up the tab for environmental destruction and pollution. Thus it has ever been in utilizing natural resources, and it hasn't changed a bit.



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