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# Cuts in State Agency Are Troubling, Environmentalists and Gas Drillers Agree

By MIREYA NAVARRO

Environmentalists and the gas-and-oil industry do not agree on much, but in New York they see eye-to-eye on one thing: both believe that cuts to the state environmental agency's staff will undermine plans for natural gas drilling in the Marcellus Shale, a controversial but potentially huge source of new revenue for the cash-strapped state.

Proposed cuts at the Department of Environmental Conservation were at the heart of the surprise firing of the department's chief on Thursday night.

Gov. David A. Paterson dismissed Alexander B. Grannis, the department's commissioner, after an [agency memorandum](#) detailing the feared consequences of cutting 209 staff positions was leaked to The Times Union, an Albany newspaper. Mr. Grannis has denied leaking the memo.

Mr. Grannis, 67, said Friday night that he was "floored" by his dismissal and was still trying to figure out what was really behind it. "The memo, all it did was lay out the facts," he said. "If the facts make this administration so uncomfortable, I just find that hard to believe."

The turmoil in the staffing and leadership of the agency coincide with an overhaul of its rules to allow a controversial method of natural gas drilling called [hydraulic fracturing](#), or fracking, to explore the reserves of the Marcellus Shale.

While foes and opponents of the drilling argue over the extent of the environmental risks it poses, both sides say they are deeply worried by the shrinking resources of the department. Not counting the 209 jobs scheduled to be eliminated from the current level of about 3,100, the department has lost 595 employees over the last two and a half years.

The Independent Oil and Gas Association of New York said Friday that it opposed further staff reductions at the department, saying additional staff was needed to administer permits for drilling and to enforce department rules governing fracking.

The trade group argued that revenue from permit fees could be used to hire more inspectors

and administrators. If New York duplicated Pennsylvania's process, in which nearly 2,000 wells received permits in 2009 and 2,500 more wells could be granted permits by the end of this year, \$6.28 million to \$10.7 million in permit fees could be generated, the association said. The drilling would also yield tax revenue.

"More staff is needed," said Jim Smith, a spokesman for the group, citing a series of "milestones" involved in the permit process and in site preparation and the drilling itself, when inspectors would have to be present. Hydraulic fracturing involves blasting underground rock with a mixture of water, sand and chemicals to extract natural gas.

Environmental groups and many New York City officials have strongly opposed the technique and say the decision to allow it in the Marcellus Shale in New York should at least await completion of a [study by the United States Environmental Protection Agency](#) into the potential dangers to groundwater.

Without an adequate enforcement staff, they add, any notion of safe drilling is unthinkable.

"The future of hydrofracking in New York State is really the most important environmental issue that we face, and we need a strong D.E.C. to protect New York State drinking water," said James Gennaro, a New York City councilman. Mr. Gennaro was among the campaigners who successfully lobbied the Department of Environmental Conservation to impose strict restrictions on drilling in the upstate watersheds that supply water to New York City.

The leaked memo was ominous in tone, warning of "potential serious risks to human health and safety and environmental quality" from the proposed staff cuts.

It noted that the agency, whose responsibilities range from monitoring air and water pollution to selling fishing licenses, had already cut back significantly on services and programs. It is cleaning up fewer petroleum spills, delaying environmental reviews and reducing inspections and enforcement of regulations, including those related to mining and oil and gas drilling safety, the memo said.

"The public would be shocked to learn how thin we are in many areas," the unsigned memo stated. "In many instances, we have offices or sections responsible for important permitting and monitoring functions staffed by only one or two people."

Governor Paterson's office has confirmed Mr. Grannis's dismissal, and Morgan Hook, a spokesman for the governor, declined to comment further, calling it a "personnel matter." But he said that agency chiefs face a responsibility these days to "manage" deep cutbacks and set priorities as the state faces an \$8 billion deficit.

“With cuts of this magnitude,” Mr. Hook said, “it’ll be difficult to avoid having an impact.”

Mr. Grannis, a former assemblyman from Manhattan who began his career at the Department of Environmental Conservation as a lawyer in the 1970s and was appointed to be the agency’s chief by Gov. [Eliot Spitzer](#) in 2007, was viewed in the environmental community as an [effective watchdog](#).

On Friday, environmentalists and public health experts from 16 organizations called upon Mr. Paterson to reinstate Mr. Grannis. Some said Mr. Paterson’s successor should reappoint Mr. Grannis and make fixing the agency a priority.

“The ball now moves to the court of the people running for governor,” said Robert Moore, executive director of Environmental Advocates of New York, a group that monitors state government policy and legislation. “It’s time to rebuild.”

On Thursday night, Mr. Moore was attending a dinner at Saratoga Spa State Park in Saratoga Springs, where Mr. Grannis was being honored for efforts to protect water quality, when the commissioner received a phone call during the cocktail hour notifying him of his dismissal. Mr. Moore said Mr. Grannis stayed and delivered his speech without hinting to his audience what had just happened.