

## STEG offers drilling resolution, but nothing is resolved

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With an eye clearly focused on the job creation and economic boom taking place in Pennsylvania's Northern Tier — and a strong desire to see the same thing take place in New York — Southern Tier Economic Growth's board of directors has come out in favor of the hot-button issue of horizontal drilling and hydraulic fracturing.

Earlier this week, STEG's directors met and unanimously passed a resolution that says Marcellus Shale drilling could add as many as 15,000 jobs to the Southern Tier, \$1.7 billion to the state's economy and increase state tax revenues by \$200 million by 2015.

The resolution acknowledges hydraulic fracturing's threat to the environment but says it can be accomplished responsibly. The board urges New York to lift the moratorium on the combination of horizontal drilling and hydraulic fracturing by allowing the Department of Environmental Conservation to "immediately begin issuing permits for natural gas drilling in New York State."

Last year, the Chemung County Chamber of Commerce took a similar stand. Tapping into the Marcellus Shale formation can alleviate this country's dependence on

foreign energy sources, the chamber's policy statement said. It also cited the economic benefits that can be brought about by allowing hydraulic fracturing in New York State.

As agencies that are dedicated to the economic well-being of the areas they represent, one would expect STEG and the chamber of commerce to look favorably toward developing the Marcellus Shale natural gas play. And I'm sure STEG and the chamber had the benefits Pennsylvania is experiencing in mind when they came out in support of permitting hydraulic fracturing and horizontal drilling in New York.

According to a recent Federal Reserve Bank of Philadelphia report, the gross value of gas extracted from Pennsylvania's Marcellus Shale play will total about \$1.46 trillion. The majority of drilling activity in the state is taking place in Bradford, Tioga and Susquehanna counties and the unemployment rates in those areas, the Fed says, are lower than the counties

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where there is no drilling.

The level of retail activity is on the rise. Net profits reported by **businesses** in counties with high Marcellus activity increased by almost 11 percent between 2007 and 2008, compared with only 1.7 percent in counties with no drilling activity.

I don't have to tell you what benefits like those would mean to Chemung County and New York State. But, as recent incidents in the Northern Tier have demonstrated, well blowouts, methane migration, hazardous chemical spills, housing shortages and the on-going debates between pro- and anti-drilling groups are on the other side of the coin.

While the two local agencies prefer to highlight Marcellus Shale's economic impact, similar groups in other parts of the state take the opposite view. In Otsego County, the DEC is allowing two vertical wells to be fracked with less than 80,000 gallons of fluid, which constitutes as "low-volume" fracking and is allowable under existing DEC regulations and environmental studies.

But hydrofracking in the upstate region, according to a resolution passed earlier this year by the Cooperstown Chamber of Commerce says, will irreparably damage the essential qualities that make the area an excellent place to live, raise families, farm and work. The controversial method of natural gas drilling puts at risk much of the local economy, ranging from hotel and tourism to restaurant and retail businesses, most of which are driven by the hundreds

of thousands of tourists who choose to visit the region every year, the resolution says.

So, here we have it. Low-volume fracking is allowed in New York but high-volume fracking, which uses millions of gallons of fluid, isn't. Groups advocating **business** development are on opposite sides in the fracking debate and the ideological split is being repeated among elected officials, grass-root organizations and trade groups that represent a variety of interests.

Studies highlighting the downsides of fracking are quickly refuted by the oil and gas industry and vice-versa. The tug-of-war is making my head spin. Meanwhile, New York continues to sit on the fence when it's clear a decision needs to be made. Either the state says "OK, let's drill!" or "Not in my back yard!" but **itneeds** to pick a side and do it quickly.

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