



RIVERKEEPER.

NY's clean water advocate

November 3, 2011

Commissioner Joseph Martens
New York State Department of Environmental Conservation
625 Broadway
Albany, NY 12233

Dear Commissioner Martens:

We write to call your attention to glaring omissions in DEC's draft supplemental generic environmental impact statement on hydrofracking (SGEIS) related to fracking's potential socioeconomic impacts. The absence of any serious effort to analyze the potential adverse effects of fracking on New York's economy and local communities fundamentally flaws the Department's environmental impact analysis on this critical issue. DEC must redo this aspect of the impact study to take a hard look at fracking's potential adverse socioeconomic impacts.

DEC's Economic Assessment Report, which is an addendum to the SGEIS on fracking, is 251 pages long, with the vast majority of those pages being used to tout fracking's potential economic benefits. Only seven pages of the assessment are given over to the myriad of potential adverse socioeconomic impacts of fracking, and they are dealt with in the most conclusory, non-quantitative terms imaginable. For example:

- The impact statement contains no estimate of costs to communities associated with increased demand for community social services, police and fire departments, first responders, local hospitals, etc. Similarly, how our governments are to deal with the hundreds of millions of dollars in annual road costs that fracking will bring is not explained.
- The impact statement ignores the potential negative impact to agriculture from land and water contamination risks.
- Potential negative impacts on tourism – one of New York's most important industries - are similarly dismissed without any serious consideration in the impact statement.

The issue of fracking's potential impacts on tourism is a particularly glaring example of the problem with DEC's socioeconomic analysis. Section 4.2 of the

Department's report ends with a one page section titled "Impacts on Other Industries," such as tourism and agriculture. Potential risks to tourism are summarily dismissed in a single sentence.

A one-sentence statement that fracking will not harm tourism is no substitute for the hard look this issue deserves. DEC is playing Russian Roulette with one of our state's most valuable economic sectors if it does not come to grips with the risks identified by groups like the Southern Tier Central Regional Planning And Development Board, whose recent report, "Natural Gas Drilling In the Marcellus Shale: Potential Impacts On the Tourism Economy Of the Southern Tier," warns that the expansion of gas exploration through high-volume horizontal hydrofracking:

"threatens to do serious damage to the tourism sector by degrading visitor experiences and creating an industrial landscape that far outlives the profitability of gas extraction."

http://www.stcplanning.org/usr/Program_Areas/Energy/Naturalgas_Resources/STC_Ru_mbachMarcellusTourismFinal.pdf, Page 10.

The same is true when it comes to studying the infamous boom/bust cycle that has saddled communities having resource extraction-intensive economies with lower levels of economic achievement relative to neighboring communities, over the long haul. There is actually ample information that the consultant you hired could have worked with. Just this May, Cornell University released a working paper on this topic providing evidence that, *over time, drilling communities lag behind other communities in personal income, employment growth, economic diversity, educational attainment, and ability to attract investment.*

http://www.greenchoices.cornell.edu/downloads/development/marcellus/Marcellus_SC_NR.pdf, Page 25. Similar findings are discussed in a study this July by the West Virginia Center on Budget and Policy <http://www.wvpolicy.org/downloads/BoomsBusts072111.pdf>

These are far from the only examples of recognized social and economic damage resulting from hydrofracking in other states. DEC's failure to consider such issues begs the question: *is the Department so eager to give the green light to fracking that it doesn't want to focus on fracking's demonstrated downside risks?*

A recent NPR report on New York's approach to fracking includes the following statement:

"[Governor Andrew] Cuomo says he realizes that trust in government, and whether the state could safely carry out hydro fracking, has to be earned."

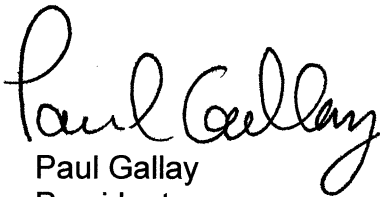
<http://www.wrvo.org/post/gov-cuomo-willing-wait-hydrofracking>.

Given the damage caused in other states by fracking, how can DEC and Governor Cuomo possibly earn New Yorker's trust based on an environmental impact statement report which spends over a hundred pages cataloguing fracking's supposed

socioeconomic benefits and only seven pages on fracking's potential adverse impacts to our economy and communities, dismissing these very real risks in the most superficial, conclusory and non-quantitative terms imaginable?

To have any chance of earning New Yorker's trust on fracking, DEC must redo its socioeconomic impact analysis in order to take a hard look at fracking's potential adverse impacts. It must then provide a full opportunity for public comment on this and all other aspects of the supplemental generic environmental impact statement on fracking. Until that is done and an honest cost benefit analysis can be completed, it is impossible to judge whether opening the door to hydrofracking in New York will be a true benefit to New Yorkers or a socio-economic disaster.

Yours,



Paul Gallay
President



Kate Hudson
Watershed Program Director