



P.O. Box 103
Fremont Center, NY 12 736

December 29, 2011

Mr. Joseph Martens, Commissioner
Department of Environmental Conservation
625 Broadway
Albany, NY 12233-1011

Dear Commissioner Martens:

I was pleased to read that the Department of Environmental Conservation has asked Ecology & Environment (E&E) to expand its study of the socioeconomic impacts that hydrofracking will have on New York State. As you know, many of us think that the E&E report included in the Revised Draft SGEIS is more than "a little thin". Along with two other economists, I recently sent you a letter detailing some of its flaws including:

- A failure to identify *all* the costs and benefits that shale gas extraction will entail.
- A failure to clearly identify all the winners *and losers* who will be impacted by fracking.
- A failure to consider all the phases of shale gas extraction - from the activities of landmen and leasing, up to and including the build out of transmission systems, including compressor stations and pipelines, that may seize land by eminent domain.
- A failure to consider the cumulative effect of an industrial activity that could radically transform much of the western part of the state.
- A failure to consider the long term effect that shale gas extraction will have on New York State. (The E&E study does not look beyond the period supposed to be required to extract the gas.)
- A failure to consider worst case scenarios.
- The absence of common oil and gas industry discounted cash flow analysis.
- A failure to fully account for environmental costs, and the loss of "next best use" of the land that will be industrialized by the gas extraction.
- The use of inappropriate economic models, and a sole reliance on input/output analysis.
- The use of arbitrary estimates of how local labor will replace transient labor.

- An assumption that shale wells will produce for thirty years, which does not seem to be grounded in reality.
- A vague and undeveloped description of how shale gas extraction will impact real estate values.
- A failure to consider the fact that proximity to gas wells might violate conventional home mortgages and make it impossible to refinance homes, or to obtain home insurance.
- The losses that will be incurred by other industries, including tourism, outdoor recreation and agriculture, are not quantified.
- Tax revenue estimates appear to be based on overstated gas production estimates and an overestimate of New York's recoverable shale gas reserves.
- Adjustment costs, such as the estimated \$226 million it will cost to build out the DEC are completely ignored.
- The NYS Department of Transportation estimate that infrastructure improvements and repairs will cost hundreds of millions of dollars a year is ignored.
- The cost of mitigating environmental damage is ignored.
- The cost of mitigating adverse health impacts is ignored.
- The costs to local communities for increased demands on first responders, law enforcement and medical services are ignored.
- A "one size fits all" approach to the impact that shale gas extraction will have on communities ignores the actual impacts that might be felt by some communities.

Clearly New York State should not move forward with shale gas extraction until these many defects have been addressed by a thorough and competent socioeconomic analysis. It is equally clear that such an analysis will be very different than the E&E study in the Draft SGEIS. A satisfactory assessment may require the input of experts beyond those available at E&E.

We believe the public must be permitted to read and comment upon the revised socioeconomic report before its findings are incorporated into a final version of the SGEIS. Because of the potential impact on the Revised Draft SGEIS, the SGEIS comment period should be extended until after the expanded report is released. We ask that when the Department receives the expanded report from E&E it release it to the public, and commence a public comment period of not less than ninety days.

Sincerely,

Jannette Barth, Ph.D.
Catskill Citizens for Safe Energy

Lynn Ellen Marsh, President
The Advocates for Cherry Valley, Inc

Harry Levine, President
Advocates for Springfield

Leigh Melander, Ph.D., Chair
Andes Works!

Jan Quarles, Chair
Back To Democracy

Paula Medley, President
Basha Kill Area Association

Hilary Baum
Baum Forum

Karen Feridun, Founder
Berks Gas Truth

Larysa Dyrszka, MD.
Bethel Concerned Citizens

Robert J. Castelli
Member of the NYS Assembly, 89th District

Kenneth Fogarty, Chairman
C-CARE (Chenango Community Action for Renewable Energy)

Wes Gillingham, Program Director
Catskill Mountainkeeper

Heather Carlucci-Rodriguez
Chefs for the Marcellus

Joan Tubridy
Citizens Energy and Economics Council of Delaware County. (CEEC)

Kate Bartholomew, Leadership Council Member and Treasurer,
Coalition to Protect New York

Melanie Steinberg, Outreach Coordinator
The Committee to Preserve the Finger Lakes

Robert Oswald, Professor of Molecular Medicine, Cornell University, and Michelle
Bamberger, DVM
Concerned Citizens of Ulysses

June Abele
Concerned Worcester Citizens-NY

Fay Muir. President
Croton Watershed Clean Water Coalition, Inc.

Barbara Arrindell, Director
Damascus Citizens for Sustainability

Carole Marner , Founder
Delaware Action Group

Caroline Martin, Founder
Delaware County Neighbors

Tracy Carluccio, Deputy Director
Delaware Riverkeeper Network

Marie McRae
Dryden Resource Awareness Coalition

Steven J. Levy, President
Federated Conservationists of Westchester County

Martha F. Ferger, President
Social Justice Council
1st Unitarian Society of Ithaca,

Claire Sandberg, Executive Director
Frack Action

Brian Brock, Board President
Franklin Local

Albert Crudo
Friends of Sustainable Sidney

Pat Roberts
Friends of Vestal

Sheila Cohen. Outreach Coordinator
Gas Drilling Awareness for Cortland County (GDACC) ,
SUNY Cortland Center for Gender and Intercultural Studies, Chair Environmental
Justice Committee

Yvonne Taylor, Co-Founder
Gas Free Seneca

Cindy Kurpil Gieger
Sullivan County Legislature (Elect), District 5

Patti Wood, Executive Director
Grassroots Environmental Education

Jack Kupferman, Co-Convener
Gray Panthers, NYC Network

Carol Roig, Cofounder
Highland Concerned Citizens

Dr. Lisa Barr, Owner
An Iron Daisy CSA

Laurie McFadden
Keep Cochection Green

Joe Hoff, Chairman
Keuka Citizens Against Hydrofracking

Edward C. Kokkelenberg, Ph.D.
Research Fellow, School of Industrial and Labor Relations, Cornell University

Liz Krueger
New York State Senate, 26th District

Julie A. Edgar
Lehigh Valley Gas Truth

Barbara Lifton,
New York State Assembly, 125th District

Caroline Akt
Lumberland Concerned Citizens

Gary Thomas Smith, Executive Director
MICAH-Cortland (*an affiliate of the PICO National Network*)

Barb Monroe
Milford DOERS

Timothy Mount, Ph.D.
Professor of Economics, Cornell University

Nancy Moen
New Lisbon Neighbors

Lea Kone, Assistant Director
Northeast Organic Farming Association of New York (NOFA-NY)

Maria Grimaldi, Regional Representative
NOFA-NY Catskill/Hudson Region

Joe Levine, Director
NYH2O

Anita Williams, President
Otisco Lake Preservation Association

Nicole A. Dillingham, President, Board of Directors
Otsego 2000

Beth Rosenthal
Otsego County Representative, District 7

Darla M. Youngs
Otsego County Conservation Association

Marie Terlizzi, Cofounder
PAUSE

Peter Hudiburg, Spokesperson
Plymouth Friends of Clean Water

Kathy Shimberg
Protect Laurens

Paddy Lane
Protect Pittsfield

Otto Butz
Residents of Crumhorn

Allegra Schecter, Founder
ROAR (Roseboom Owners Awareness Response) Against Fracking,

Karen London, Cofounder
SACRED

Mark Levinson, President
Sand Lake Beach Club

Kathy Klopchin
Sanford-Oquaga Concerned Citizens

Sara Hess, Treasurer
Shaleshock

Roger Downs, Conservation Director
Sierra Club Atlantic Chapter

Gusti Bogok, Co-Chair
Sierra Club Atlantic Chapter Drilling Task Force

Geri Chapman Aird, Co-Coordinator
Environmental Health and Justice Team,
Sierra Club Atlantic Chapter Gas Drilling Task Force

Mary Menapace
Skaneateles Citizens Committee on Hydrofracking

Paul F. Torrasi, M.D., President
Skaneateles Lake Association, Inc.

Holley Atkinson, Board of Directors and Communications Co-Chair
Slow Food NYC

Michael Chojnicki, President
Sullivan Alliance for Sustainable Development (SASD)

Adrian Kuzminski, Moderator
Sustainable Otsego

Martha Robertson, Chair
Tompkins County Legislature

Will Burbank
Tompkins County Legislator

Kathy Luz Herrera
Tompkins County Legislature, District 5

Pat Pryor
Tompkins County Legislator, District 6

William J Engle, Vice Chairman
Town of Callicoon Democratic Committee

Irene Weiser, Town Board Member (elect)
Town of Caroline

Rosie DeCristofaro, Member
Town of Delaware Planning Board.

Brad Walrod, Member
Town of Delaware Zoning Board of Appeals

Linda Lavine, Board Member
Town of Dryden

Andy Boyar, Supervisor
Town of Highland

Keitha Capouya, Supervisor
Town of Meredith

Ronald Bailey, Councilman,
Town of Meredith

Dan Birnbaum, Councilman
Town of Meredith

Penelope R. King, Town Clerk
Town of Meredith

Alan Davino, Member
Town of Meredith Planning Board

Don Statham Member
Town of Meredith Planning Board

William Turick, Member
Town of Meredith Planning Board

Julie Huntsman, Councilwoman
Town of Otsego, Otsego Neighbors

Rick Keyes, Town Board Member
Town of Skaneateles

Roxanne Marino, Supervisor
Town of Ulysses

Kevin Vertrees
Tusten Concerned Citizens

David Braun
United for Action

Lorraine, McNulty, President
Upper Unadilla Valley Association

Sue Rapp
Vestal Residents for Safe Energy (VeRSE)

James R. Dean, Trustee of Village and Chairman of Environmental Conservation
Committee
Village of Cooperstown

Susan Van Dolsen, Co-organizer
Westchester for Change

Steve Zerby
Westford Neighbors

David Buchwald, Member
White Plains Common Council

Marriot Sheldon
Youth Now

Attachment: Letter to Governor Cuomo from Jannette Barth, Ph.D., Edward C.
Kokkelenberg, Ph.D., Timothy Mount, Ph.D. dated December 14, 2011

CC: The Honorable Andrew Cuomo

Deputy Commissioner Eugene Leff