

Speakers Discuss Impacts of Drilling on Forests, Communities

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On January 12 Tioga County Landowners Group hosted a program focusing on forest and community impacts of gas drilling. Brett Chedzoy addressed the effects of well pad and pipeline right-of-ways on forest management, and Jeff Jacquet presented his data examining the economic and social impacts of drilling on rural communities.

“Gas leasing is now the number one rural land-use issue,” said Chedzoy, a regional extension forester with Cornell Cooperative Extension of Schuyler County. He speaks from experience; operations on his livestock farm have been disrupted twice for pipeline construction projects.

Protecting Forests

Chedzoy figures that 75 – 80 percent of Schuyler County landowners signed company leases the first time, without trying to negotiate. “Gas development includes seismic testing, drilling operations, building access roads, and right-of-ways for connecting pipelines,” he reminded landowners. “Each of these things can have an enduring negative impact on your property if you do not carefully contemplate and execute a lease.” Chedzoy advised landowners hoping to gain economic benefit from their forests to consult a professional forester to make sure they get protective clauses in their lease.

A forester can determine how much timber is harvestable, and help write terms that are to the forest owner’s benefit, Chedzoy explained. If you plan to harvest timber you want to make sure that the pipeline company establishes permanent crossings for skidders and heavy equipment. If they are removing trees for a right-of-way, you want to specify how trees shall be removed, and how and where the logs will be stacked.

“Another issue is compliance,” Chedzoy said. A good lease will state the penalties and provision for non-compliance with lease terms. For example, how will you deal with erosion damage or chemical spills?

“No one intentionally does the wrong thing,” Chedzoy said, “but when things do go wrong you want to make sure you have a protocol to correct the problems.” A consulting forester can help you write in requirements for performance bonds, with the consultant as the final authority on compliance.

“Where the energy company may not want to deal with the individual landowner on these [compliance] issues, they will view a consulting forester as another professional,” Chedzoy stated.

Social Impacts of Gas Development

“Gas drilling can have big impacts on where you live,” Jacquet began. He recently moved to Ithaca after spending years studying the economic and social impacts of gas development in rural towns in Sublette County, Wyoming.

The impacts of drilling are felt over time, Jacquet explained. During development of the gas field there’s a huge influx of labor. The population of Sublette County increased 52 percent from 1990 to 2006, with over half of the growth happening from 2000 – 2006. Much of the population is transient, with over 50 percent of the employees residing in motels and “man camps” – rows of semi-trailers with windows and a kitchen at one end.

Such a sudden increase in population puts a huge demand on local hotels and motels, as well as the roads, schools, health care facilities, and other aspects of community infrastructure. An increased demand for housing offers opportunities for development, if done in a planned and managed manner. But it also pushes the rental and sales prices higher.

The average home price in Sublette County increased \$24,000 in six years, twice the increase of the rest of the state. Renters fared no better; the average cost to rent a single home rose more than 90 percent since 2000, said Jacquet.

With the need for extra labor there was little unemployment. However, local motels, stores, and other businesses had to compete with the drilling companies for unskilled labor. This drove the local minimum wage higher than surrounding areas. And with all those extra people shopping for food, clothing, razor blades and other items, the area experienced localized inflation. People employed outside the mining sector often found it harder to maintain their quality of life in the face of rising costs.

Local municipal governments have realized only modest benefits from the gas development activity, Jacquet pointed out. Sublette county and its municipalities currently face large capital projects to address the infrastructure impacts associated with the increased activity brought on by oil and gas activities.

The three largest municipalities have allocated between 60 – 90 percent of their entire annual budgets to cover such capital improvements as road and bridge maintenance and adequate water and sewer systems.

“We also found a correlation between the increase in the number of ambulance runs and the number of drilling rigs in the area,” Jacquet said. Ambulance runs increased 40 percent in one year due to a combination of industrial accidents at the drilling sites and the increased number of traffic accidents.

“Truck traffic increased from 160 trucks/day in 2000 to 830 trucks/day in 2006,” Jacquet noted.

While there were some positive impacts of gas activities – most notably the increased wages in the area – Jacquet emphasized the need for municipalities to prepare ahead of

time for the influx of people and equipment. One thing the Wyoming towns did successfully was to develop master plans for housing development, increase the local sales tax by 1 percent (to take advantage of increased population), and set up some law enforcement groups, such as a meth task force.

“Create an impact projection,” Jacquet said. “You want to know ahead of time what the demands on services may be, and what sort of planning you will need to deal with the pressures brought on by gas development.” Jacquet emphasized that it is not too early for upstate municipalities to begin preparing for gas activities