

Capitolwire: Senate panel sifts through various local impacts of natural gas drilling.

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Capitolwire

HARRISBURG (Jan. 26) -- Local officials, conservation district managers, emergency responders, and drilling companies provided data on the impacts Marcellus Shale natural gas drilling has on communities.

With Senate Republicans pondering a possible fee for communities impacted by the drilling, the first step, according to Senate President Pro Tem Joe Scarnati, R-Jefferson, is to add up the impacts and quantify their cost.

Witnesses today delved into the positive and negative outcomes of that industry before the Senate Majority Policy Committee on Wednesday.

Some issues raised during the hearing - like congested roads, wear-and-tear on highways, spikes in housing rental costs - have drawn much attention during last session's gas severance tax debates. County leaders commended companies for, in most cases, repairing local roads better and faster than the state Department of Transportation.

But several of the panelists pointed to other effects that have challenged those in oversight roles and require coordination between departments.

Ed Troxell of the Pennsylvania State Association of Boroughs recounted that Washington County's airport is trying to figure out how to deal with a drill rig that could interfere with the flight path for planes.

"I don't want to wait until we actually have a plane clip a rig," said Troxell, who added that air traffic is "an area with considerable opportunity for impacts."

Emergency response officials said they need better coordination with the Department of Environmental Protection and with companies, as well as more resources for training their responders on how to protect themselves and others.

Eugene Dziak, coordinator for Wyoming County's emergency management, said most of the responders are unprepared for responding to accidents in the trench areas around gas gathering lines and transmission lines. Those training sessions will be costly, he said.

"We found a need to hire extra personnel and also to increase emergency products and equipment," Dziak said. "Obviously this has influenced our budgets."

He noted that some of those costs can be recouped through the company itself or its insurance company.

But Charlene Moser, of the Susquehanna County Emergency Management, said their problem is in recruitment for volunteer fire companies. She said a local fire chief told her that they have lost volunteers, who have been hired by the gas companies and whose hours no longer leave them time to volunteer.

Other problems already have resulted in legislation to be introduced this session. Sen. Gene Yaw, R-Lycoming, said he'll be sponsoring a measure to address an exemption in the state's hotel tax law that counts those who stay in a hotel for more than 30 days as "residents" of the hotel. In those instances, the room fees are not subject to hotel taxes.

Many of the drilling companies have rented out hotel rooms for workers for months or years at a time, which localities have complained short-changes them on hotel taxes and makes rooms scarce for tourists.

The most commonly cited issue was the limited ability for counties and municipalities to gain revenue from the increased activity, despite the skyrocketing requests and hundreds of calls that government offices and conservation districts are fielding.

David Sanko, of the state's township supervisors association, and Doug Hill of the county commissioners association, both talked about increased human services costs to local assistance programs by an influx of transient workers. And county records systems have been pushed to update and digitize quickly, so landholders can assess decades-old paperwork proving that they are authorized to lease.

Potter County worked with drillers to rent out cubicles in their courthouse, so companies could more easily access records.

Both Hill and Sanko said some form of severance tax or impact fee - or making natural gas reserves assessable for property taxes - would help locals to adequately staff and provide services.

Sen. Mike Waugh, R-York, questioned what resources the county and township associations have offered to localities, to help them adjust to the new demands. Sanko said his group fields "a couple thousand" calls annually, and offers various training programs.

But, Waugh continued, have you hired any former gas company employees to boost those efforts?

"We can't afford former gas company employees," said Sanko, drawing some laughter from the audience in his reference to the high-paying salaries that the industry offers.

Sanko and Hill also cautioned against directions from the state-level on "one-size-fits-all" local ordinances, or, conversely, relying on individual companies to recoup all local costs.

"Simply relying on the ad-hoc civic-mindedness of each of these companies, we don't think is fair or equitable, and certainly not a long-term solution," Hill said.

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NEPA officials discuss drilling impact
by robert swift (harrisburg Bureau chief)
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Senate considers drilling-impact fees
Shale area officials give testimony

HARRISBURG - With a state severance tax no longer on the table, the Senate launched a new review Wednesday into the impact of Marcellus Shale drilling on local communities that featured testimony by several officials from Northeast Pennsylvania.

Bradford County Commissioner Doug McLinko was a leadoff witness at a Senate Republican Policy Committee hearing, while officials from Susquehanna and Wyoming counties also in the heart of the drilling boom region presented testimony.

Senate President Pro Tempore Joseph Scarnati, R-25, Jefferson County, set the tone for the hearing, saying that debates over whether to levy a severance tax on natural gas production are in the past.

"We don't have to choose between the environment and jobs," he said. "We can do both."

Gov. Tom Corbett is opposed to a severance tax. Mr. Scarnati suggested recently that letting local governments charge impact fees on drilling companies to offset the cost of drilling operations could be an alternate option.

Mr. McLinko urged senators to do a comprehensive study of the tax revenue that drilling companies generate before enacting impact-fee legislation. Drilling firms operating in Bradford County are creating jobs, paying property taxes on the land they purchase as well as liquid fuels taxes and hotel room taxes, he said.

"All this expansion and growth will see real estate taxes paid on them," Mr. McLinko said. "This industry isn't looking for grants or tax abatements or KOZ (Keystone Opportunity) zones or any government-funded program."

Jim Garner, manager for the Susquehanna County Conservation District, focused on several drilling impacts in his testimony. He said drilling operations are creating emerging issues concerning erosion and sedimentation, stormwater runoff and flood-plain development that will require more attention from his office.

Citing one example, he said the access roads to drilling pads contain roadside ditches that channel runoff and drain into stream channels.

"With each storm event, the runoff from each ditch contributes to some degree of flash flooding and increased stream erosion," said Mr. Garner. "It's not the individual impacts of the ditches but the accumulation of possibly thousands of these roadside ditches emptying into our streams."

The Marcellus Shale drilling boom means emergency workers are responding to more hazardous material spills and traffic crashes due to an overall increase in truck traffic, said Eugene Dziak, coordinator of the Wyoming County Emergency Management Agency, in testimony.

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