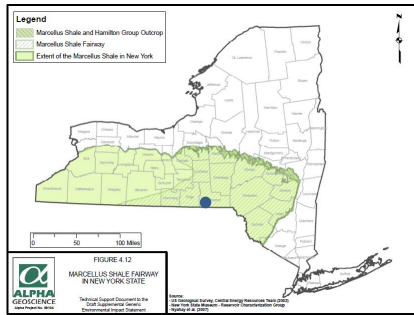


Marcellus Shale, Boom or Bust?

Grantmakers Forum recently had a conversation with Jon Jensen and Amy Panek of the Park Foundation about the sale of natural gas drilling leases in the Southern Tier and the Foundation's concerns with the gas extraction method called hydraulic fracturing, or "fracking." The potential for extensive drilling across the Southern Tier of New York, similar to what is currently happening in Pennsylvania, has led to many community conversations about the costs and benefits of fracking for landowners, municipalities and the state.



The Marcellus Gas Shale deposit in New York State runs from Sullivan, Ulster and Greene counties in the east to Chautauqua in the west, and reaches from the Pennsylvania border north to a line through the middle counties from Madison to Erie. Additionally, the Utica Shale, another geologic formation that is also expected to be tapped for gas, covers most of New York State west of the Hudson River and south of the Adirondacks. These deposits don't stop at the border. There has been active gas exploration and use of hydraulic fracturing

in Pennsylvania, West Virginia and Ohio since early in this decade. New York currently has a fracking moratorium in place; this moratorium is projected to end once the state's Department of Environmental Conservation completes its review of comments to its draft Supplemental Generic Impact Statement on horizontal drilling and high-volume hydraulic fracturing. The DEC received over 14,000 comments on the document and it has been reviewing these comments since January. However, the moratorium has not slowed the leasing of land in New York by individuals and a number of landowner coalitions have formed across the Southern Tier to gain the best possible lease arrangements. In Tompkins County alone, approximately 40% of the land is leased.

With an active interest in preserving and protecting fresh water resources, the Park Foundation has been educating themselves and the public about the environmental and public health ramifications of fracking in New York, which includes a process that requires large volumes of water mixed with sand and chemicals to stimulate well production and results in contaminated wastewater without sufficient treatment options. The Foundation began making grants related to this issue beginning in late 2008, supporting organizations that provide public education, regulatory advocacy, and research. Currently it counts 20 grants within its portfolio, for a total of \$775,000, that are either completely or partially designated to work on Marcellus Shale-related activities.

Park trustees are concerned that the state's regulatory process has not included a comprehensive review of all the environmental and health effects of the proposed drilling, nor is the state currently prepared with adequate staffing resources to enforce existing regulations that would help preserve the environment. With the help of Park Foundation, a Cornell University professor is beginning a comprehensive economic impact analysis of natural gas extraction in the Marcellus Shale. This project will help fill the gaps in current research, raising public awareness of the full range of costs associated with natural gas extraction and leading to more educated decisions by government officials at local and state levels. Park has also partnered with As You Sow, a shareholder investor education network that initiated a hydraulic fracturing campaign and filed a shareholder resolution with Exxon that pushes for disclosure of what the company is doing to reduce risks to drinking water, public health, and shareholder value. Park has also supported media coverage of the issue.

They have found funder partners in their activities. Hearing about their work, the Central New York Community Foundation has referred a donor who wants to support public awareness of the issue. Additionally, the New York Community Trust, Heinz Endowments in Pittsburgh and the William Penn Foundation in Philadelphia, among others, have been allies that have made investments in the issue.

Park Foundation's Executive Director Jon Jensen noted "Hydrofracking represents a significant health and environmental threat to Central New York. I predict that, even if you are not an environmental funder now, when the wells start going in your community, you will be."

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