



February 22, 2011

Commission Secretary
Delaware River Basin Commission
P.O. Box 7360
West Trenton, NJ 08628

Dear Commissioners:

My name is Allan Scott and I am the CEO of the Sullivan County Partnership for Economic Development. The Sullivan County Partnership is a 150 member private non-profit business association charged with promoting and coordinating the economic development of private business in Sullivan County in order to benefit the general public by enhancing the quality of life and improving our standard of living. The Partnership has worked on many projects over the years and has worked with a variety of regulatory bodies through scores of projects over its two plus decades of existence. From the New York State Department of Environmental Conservation to the Army Corps of Engineers and a whole host of local regulatory stakeholders, we have addressed many environmental concerns while advancing and promoting economic development for the betterment of the business community and ultimately the residents of our coverage area.

The Partnership as a formal policy, has taken a position to support gas drilling in the areas effecting Sullivan County only if it is done so in a way that ensures safe extraction of the resources while preserving the environment. We believe that the current wave of investigatory studies that are being undertaken by the NYDEC and affiliated state agencies will ensure the monitoring and safe extraction of these much needed resources with the best interests of the public at the forefront. We are concerned, however that the draft regulations proposed by the DRBC will create unnecessary duplication of the already existing safeguards and will thus make it a tremendous hardship on business located in the Sullivan County areas of interest. The northern and western parts of the county have been struggling economically for quite some time. Taxes continue to rise in order to provide the most basic of services while the public entities charged with providing those services are nearly bankrupt. School enrollments are down.... any manufacturing is now gone and the single most important industry in this area, agribusiness and its direct sub clusters are under extraordinary stress. Thus our concerns focus on four key areas:

- 1) We believe that the draft regulations are too heavily weighted on habitat, forest protection and other protections with virtually no emphasis on the economic development opportunities of the basin. Economic development within the basin is an integral part of the DRBC Compact and should be a primary focus when considering these matters. Over regulation, for instance, in matters of land use are far too reaching in the draft and are addressed more than adequately by New York State and local regulatory entities. Adding another layer of bureaucracy with no time limits on decision-making, to ensure that which is already being addressed, will ensure the closure of more business and farms in our area.

- 2) The regulations discriminate against landowners, specifically the farming community, which has made their livelihood here, some for hundreds of years. Many are depending on this institutional income opportunity to preserve agriculture, a key economic development focus area for New York State. When conducted safely gas drilling can strike a balance that provides a tremendous boost in economic activity while preserving some of our most treasured farmland.
- 3) Businesses rely on deadlines and deliverables in order to prosper. Timeliness ensures proper planning and management of financial and physical resources. The omission of deadlines by the DRBC to act on applications and the power afforded the Executive Director to simply stop projects subjectively provides far too much authority that can cause untold delays and ultimately put more people out of business. Moreover, it opens the door to the possibility of abuse of powers. The northwestern part of Sullivan cannot rely on tourism alone in order to prosper and thus must be able to capitalize on investment opportunities such as safe gas drilling in order to preserve and enhance the prosperity of our mom and pop businesses and our agricultural industry.
- 4) The regulations as proposed will have a negative impact on other industries, such as farming, construction, and those small business that provide services to them. Farms for instance, buy feed from the local mills, heavy equipment from local providers, vehicles from local dealers, lumber and other construction needs from lumberyards etc. With the economy already in tatters these regulations can and will ensure added economic pressure to a struggling area, which desperately needs an injection of capital investment to jump-start the economy.

In closing, the Partnership clearly understands that preserving the health and welfare of our citizens and the environment are of utmost importance. The beauty of the Delaware River Basin matches or surpasses most any area in the northeast. Yet ensuring that our citizens have viable means to provide for families, that our local commercial activities grow in order to prosper and provide much needed tax revenue for public services is most critical at this time. The economic development opportunities the gas drilling industry can provide when done so responsibly are extraordinary, and may just be the catalyst this area needs to spark an economic recovery, that by its very success can help preserve the basin and advance the long-term interests of the DRBC.

Sincerely,



Allan Scott, President/CEO
The Partnership for Economic
Development in Sullivan County.