



## **What's the rush to develop the Utica Shale?**

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I recently had the privilege to serve as a panelist at the [Crain's 2013 Shale Summit](#). My fellow panelist and I had a great back-and-forth discussion of the intersection of environmental protection and economic growth. There was strong consensus among all in the room that the two go hand-in-hand and all agreed that appropriate environmental controls are important to the success of the industry and to further economic growth.

I took the opportunity to share the story of Ohio Soil Recycling that has truly embraced this concept and is providing an environmentally safe solution for the disposal of drill cuttings. At a lower cost for the drilling companies than other conventional methods, the process remediates the waste such that the drilling company's liability and any risk to the environment is virtually eliminated in a few weeks. It will help spur a new effort encouraged by regulators to create a beneficial reuse program for the drilling industry in Ohio. This is the kind of entrepreneurial job growth that benefits both industry and the environment that we all want to see grow.

But the question from the audience that caused me to really stop and think was quite simply "What's the rush?"

At first I thought it would elicit short direct answers from the panel. But the more I thought as it came closer for my time to respond, the more complex the answer became to such a simple query.

On a personal level, I thought about this in the context of two of the defining issues in my formative upbringing.

I grew up in small, blue-collar family business in downtown Cleveland. I've watched the struggling economy of Northeast Ohio get crushed in the recessions of the past decades, always recovering to a certain level in productivity but not in job numbers. As a senior state government official I was pained to talk about the loss of 200,000 manufacturing jobs in Ohio as we fought to reduce the tax burden on this lifeblood industry of the state – especially Northeast Ohio. Yet despite these massive job losses, we still had a solid manufacturing base accounting for nearly a quarter of the state's gross domestic product.

"What's the rush?" My first response is to think about the kids of the unemployed steel worker or the family business that had to close its doors and ask how long do you think they want to wait to get back to work or start a new enterprise? A high profile US EPA

report on hydraulic fracturing was just delayed until the magic date of “sometime” in 2014; do we tell those families that they will remain in poverty until the study is complete? A recent report from the State of Ohio Office of Job & Family Services said that the shale industry in Ohio had a first quarter 2012 employment of 167,310 and went on to say, [\*“employment in core shale-related industries was up 17 percent from the first quarter of 2011.”\*](#) You will undoubtedly recall that job growth was at best stagnant across the country over the same period of time.

Next, I thought back to my days as a young Air Force cadet in training when a few of us talked to our commanding officer about going into the active service during Operation Desert Shield in 1990. He looked at us and said, don’t rush your training, we will be back fighting there in less than 20 years. Sure enough, it was in that time frame that US troops were back in the Middle East in sizable numbers.

Stopping the spread of terrorist networks and taking the fight to their safe havens is a key strategic issue for this country regardless of who is in the White House. Democrats and Republicans have committed our soldiers to the region. But lets be honest, if it were not for the key deposits of fossil fuel energy resources in the Middle East upon which the western world depends economically we would be less likely to commit the numbers of troops.

Look at the ravages by extremist leaders against the people in Africa and the spread of terrorist networks across the northern portion of the continent. Presidents both Republican and Democrat have sent resources and assistance fighting as a coalition of other nations, but we have not seen a massive build up of troops or even establishment of any significant permanent military installations. U.S. African Command has a scant 2,000 military and civilian personnel with 1,500 of them based in Stuttgart, Germany.

What’s the rush? I think of my son and the boys on his youth hockey team and say that if there is a way to lessen our need for resources from a region that is hostile to our interests and that resource can be acquired domestically then every effort should be made to do so.

Many reports site the pathway to energy independence, and site the shale boom as the nirvana to solve all those problems for 100 years. I would like to believe them all, but I will settle for the term energy security. No true free and capitalist nation can mandate energy independence. If markets in another part of the world are willing to pay two or three times the price they can obtain domestically, then by all means trade will commence. And much of that export will likely be to our trading partners in Western Europe and Asia including Japan. All of which bodes well for our domestic security.

What’s the rush?

I always like to include the current status in Ohio from my perspective and I see nothing but growth at this time. The Legislature is busy with the ne biennial state budget that includes a prospective increase in the severance tax in Ohio, and this and other pieces of legislation will also continue to refine the regulatory regime in the Buckeye State. 249 completed horizontal shale wells and 549 drilling permits.

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<http://www.nytimes.com/2012/12/26/opinion/global/the-shale-revolutions-shifting-geopolitics.html? r=0>