

PRESS RELEASE

**City Council Holding Emergency Public Hearing on
Projected Natural Gas Drilling in NYC Water Supply**

*Environmental Protection Chair James Gennaro Calling for
Moratorium and Protection of City's Drinking Water*

CITY HALL, NY (Sept. 2, 2008) -- City Council Environmental Protection Committee Chair James F. Gennaro (D-Fresh Meadows) announced today that his committee has scheduled an emergency public hearing on the projected natural gas drilling in the New York City watershed.

The hearing will be at 1 p.m. on Wednesday, Sept. 10 on the 14th floor of 250 Broadway, across the street from City Hall in New York City.

Chairman Gennaro is encouraging members of the public to testify about their concerns. Testimony can be delivered in person or via email at gennaro@council.nyc.gov.

Invited witnesses include commissioners, directors and other high-level officials from the U.S. Environmental Protection Agency, the NYS Department of Health, the NYS Department of Environmental Conservation, the NYC Department of Environmental Protection and the NYC Department of Health. The Natural Resources Defense Council, the NY Public Interest Research Group, the Sierra Club and other environmental organizations have also been invited, as have energy companies from around the country who are interested in natural gas drilling in New York.

"Gas drilling in the middle of our drinking water supply is one of the most potentially harmful policies to come out of Albany with regard to our health, our environment and our wallets," said Chairman Gennaro, who negotiated New York City's acquisition of upstate lands in order to protect its drinking water supply. "New York City residents should take this opportunity to voice their outrage about a practice that would put our drinking water supply at risk and will cost us of billions of dollars to build a plant to filter out the contaminants that will inevitably reach our drinking water from natural gas drilling. Gas drilling and exploration is an activity that cannot be allowed within any drinking water supply watershed, as it will inexorably lead to significant drinking water contamination."

A new law passed by the State legislature and signed by Governor David Paterson on July 23 will allow wells tapping into gas deposits located across upstate New York's "Marcellus

Shale" rock formation to be located more closely to one another than previously allowed, thereby making it economically feasible for wide-scale drilling to commence near NYC's drinking water reservoirs. (Currently there are no gas exploration wells within NYC's drinking water supply watershed.)

Chairman Gennaro and other environmental advocates argue that the drilling would likely contaminate New York City's (unfiltered) drinking water supply and might eventually lead to the need for a filtration plant that would cost New York City taxpayers over \$10 billion in capital construction costs.

The prospect of gas drilling in the upstate portion of the Marcellus Shale has caused mining lease values for upstate property owners to increase ten-fold, creating a frantic rush to buy and sell drilling rights and opening up the possibility of a host of potential new environmental problems.

"It's important to look for new and alternative sources of energy, but not at the expense of drinking water quality, not at the expense of New York's watershed areas and not at the expense of City taxpayers to the tune of billions of dollars," Councilman Gennaro said.

Of special concern to Councilman Gennaro and many environmental groups is the expected widespread use in the NYC watershed of the controversial gas drilling process called "hydraulic fracturing." Hydraulic fracturing, also known as "fracking" or "horizontal drilling," has proven to contaminate water supplies in other states, including Wyoming and New Mexico. The method, which forces millions of gallons of water and chemicals horizontally through earth as deep as 9,000 feet underground, has been decried by numerous environmental groups, including the Natural Resources Defense Council, the New York-based Riverkeeper, the Catskill Mountainkeeper, the Sierra Club and Earthwatch's Oil and Gas Accountability Project.

Concerns about horizontal drilling in the New York City watershed have been so strong that Governor Paterson also signed an Executive Order calling for an updating of the environmental review process currently mandated for gas drilling to accommodate the new technology. The State Department of Environmental Conservation has also indicated in published news reports, however, that horizontal drilling could be permitted before the review process is updated.

In a letter to Governor Paterson, Councilman Gennaro has requested that the State put a one-year moratorium on gas exploration within the New York City watershed, which should be sufficient time to allow for a new environmental review process to be put in place. In a letter to the United States Environmental Protection Agency, Councilman Gennaro called on the Federal agency to render a formal opinion on the matter of whether horizontal drilling could harm New York City's drinking water supply and force the City to build a filtration plant that is expected to cost upwards of \$10 billion. That cost is unsustainable for New York City residents without enormous tax and water rate increases.