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Rebuttal: Oil and gas industry are good for Ohio communities despite report

Jerry Echemann, Skip Gardner and Paul Coffland Guest Columnists
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From the car dealers selling vehicles so quickly they can barely keep up with demand, to the construction crews who are as busy as they have ever been, area businesses in Ohio's shale country are thriving thanks to the investments and economic activity being generated by the oil and gas industry.

As commissioners from these counties, we see how the industry is benefitting our communities and constituents every day.

More: Report: Ohio fracking counties saw declines in jobs, population and income

That is why we were stunned to see a recent article in The Dispatch argue that the oil and gas industry has not been an economically uplifting force in our communities.

The February article, "Report: Ohio fracking counties saw declines in jobs, population and income," blatantly distorted and misrepresented facts while detailing a report by the Ohio River Valley Institute, an organization of radical activists whose main purpose is to promote renewable energy sources.

The facts are that the oil and gas industry has invested more than $60 billion in Ohio to support upstream activities such as drilling, extraction and leasing since 2011. That number comes from a report out of Cleveland State University which was commissioned by JobsOhio. That same report showed that from July 2019 to December 2019, the industry invested more than $400 million in Belmont County alone.

Let that sink in, $400 million in one county in just six months. In that same time period the industry invested $206,280,000 in Harrison County and $168,480,000 in Guernsey County. The report also indicates that the industry has provided more than $1 billion to build and repair roads since 2011.

Jack Kleinhenz, a nationally recognized economist, issued a similar report in January 2020, which was commissioned by the Ohio Oil and Gas Energy Education Program. His report showed that in 2018 the industry paid $1.1 billion in taxes and royalties. More than 92% of the taxes and royalties paid by the industry go to local governments and landowners, with the remainder being paid to the state.

The report also showed that Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe, Noble and Washington counties saw a combined $1.6 billion in labor income in 2018 thanks to the oil and gas industry. Furthermore, as of 2018, the industry was directly responsible for or actively supporting 37,256 Ohio jobs — largely in shale counties.

Reports by the American Petroleum Institute, Ohio Oil and Gas Association, Shale Crescent USA and others all tell the same story. The oil and gas industry is investing enormous sums in eastern Ohio. Their investment is generating tens of thousands of well-paying jobs, significant tax revenues for our schools, roads and local governments, and tens of billions of dollars in economic activity for our state.

The numbers are clear, the oil and gas industry is an economic engine in eastern Ohio. The shale boom has made our communities more prosperous than they have ever been, and you don't have to take our word for it. We invite anyone who wants to see for themselves to visit our counties and spend some time speaking to the locals.

It won't take you long to find first-hand accounts of folks benefiting from the enormous investments being made by the oil and gas industry in eastern Ohio.

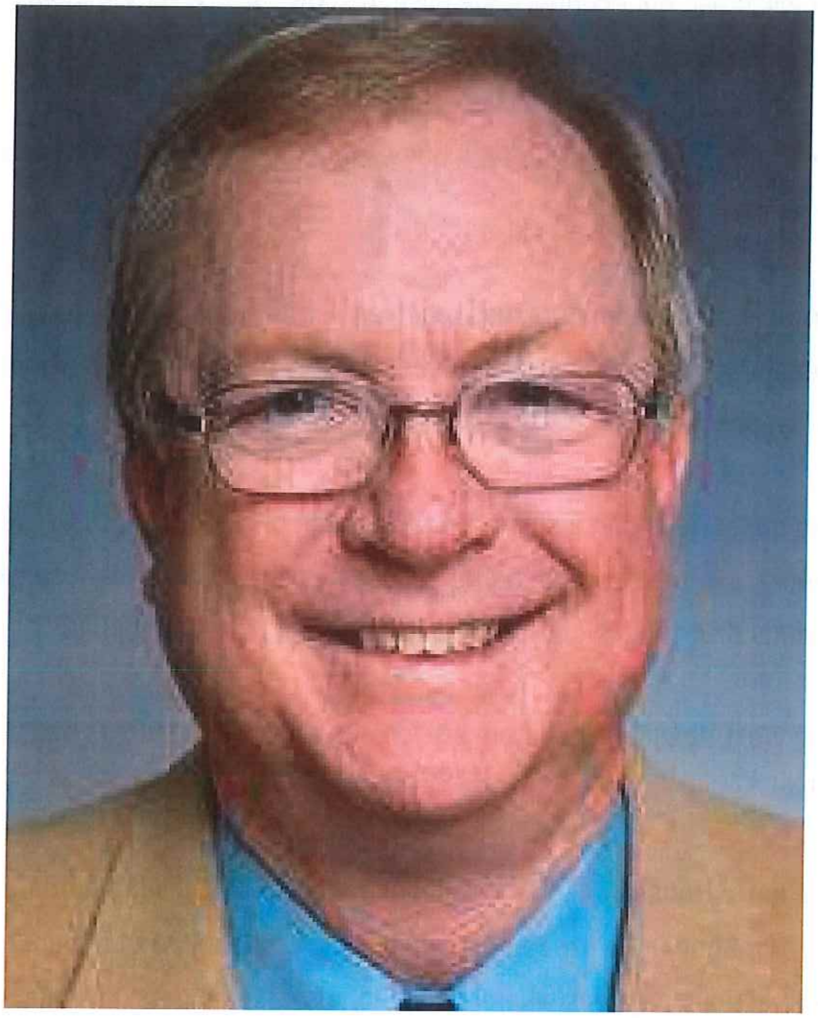
Jerry Echemann, Skip Gardner and Paul Coffland are county commissioners in Belmont, Guernsey and Harrison counties, respectively.

Note from Opinion Editor Amelia Robinson: This guest column appears in The Dispatch along with a rebuttal piece by Sean O'Leary, senior researcher from the Ohio River Valley Institute.

https://www.wvgazettemail.com/opinion/op_ed_commentaries/charlie-burd-outdated-laws-keep-natural-gas-from-truly-thriving-opinion/article_a34094d1-1437-5892-8b3f-73180fa6ae7b.html

Charlie Burd: Outdated laws keep natural gas from truly thriving (Opinion)

By Charlie Burd
Mar 16, 2021



Charlie Burd

Today, Appalachian-produced natural gas is the primary power source for one of every eight American households. And as the nation's fourth-largest energy producing state and seventh-largest natural gas producing state, West Virginia has a monumental opportunity to become the region's leader in energy production.

An increase in the production of oil and natural gas will be a powerful and much-needed economic boost for the Mountain State, with vast upside potential to support long-term job creation and growth.

In the past few weeks, we have seen a host of new rules and regulations come out of Washington, D.C., aimed squarely at the oil and natural gas industry. Natural gas pipeline projects are being stopped dead in their tracks. Exploration of natural gas on federal land has been slowed.

While we are hopeful that cooler heads will prevail, the movement to reduce the use of oil, natural gas and coal is getting stronger. It's important for us to support changes that benefit our entire state.

Politicians in D.C. who most likely have never even been to West Virginia are doing their best to dictate energy policies in our state that will crush our economy. We have to show them West Virginians are strong and steadfast in their resolve to do what is best for our state.

We have a tremendous resource right under our feet, but we must modernize our property laws to efficiently increase development of natural gas.

Unfortunately, a large amount of proven natural gas reserves – with owners eager to cash in on their property – remains undeveloped because of restrictions on producers' ability to combine leases into units, which makes more efficient development possible.

The current reality facing our state is that a single landowner can block thousands of West Virginians from reaping the economic benefits of their mineral rights. Such a system is unfair to those who wish to have their mineral assets developed, and we must work for them to keep that from happening.

Thankfully, leaders in the West Virginia Legislature are looking at ways to address this problem. And now is exactly the time for action.

Newly introduced legislation – House Bill 2853 – will modernize West Virginia's outdated property laws and treat an entire geologic shale formation as one resource unit, allowing production of the entire unit. This would group together natural gas mineral rights in areas where a majority of rights holders have agreed to reap royalties from these rights, allowing the efficient production of the entire unit.

A brand-new study from West Virginia University examining the economic impact of more modern property laws found that fixing the policy could boost economic activity and unlock the potential of the state's unique position as one of the world's largest gas producers.

According to the study, the total economic impact of new property laws could be between $1.2 billion and $2.4 billion over five years, in addition to the creation of new jobs. It also means more in royalty payments for mineral owners and new revenue for the state budget to fund programs important to all West Virginians.

West Virginians understand the importance of natural gas for the state and its economy. A recent poll conducted on behalf of the Gas and Oil Association of West Virginia (GO-WV) found that 87% of likely Mountain State voters support more drilling in the state. Most importantly, West Virginia voters understand what's at stake and overwhelmingly agree that we must act now, before the opportunity is lost.

HB 2853 will allow royalty owners and the state to reap more of the benefits of our vast natural gas resources. It will mean more efficient natural gas development, which is good for landowners, local communities and the state economy. It will attract new industries that will sustain long-term growth, while bringing more tax revenue to the state for education and other needed priorities.

Pursuing this smart, commonsense legislation will make West Virginia more competitive with other energy-producing states in the region. Right now, in nearby Pennsylvania, 6,000 workers are constructing a petrochemical plant. If we update our property laws, we can position ourselves to attract similar investments that provide job creation. From exploration and production, to downstream manufacturers, to construction companies, to restaurants and businesses, all West Virginians stand to gain.

Better property laws will allow exploration, operational footprint and surface disturbance to be minimized, as fewer well pads will be needed. That process alone conserves the resource for future generations. It also will streamline logistics and enhance and accelerate land restoration. And it will reduce truck traffic, along with wear and tear on our roads.

That is why we strongly urge legislators in Charleston to pass HB 2853. Let's take action today, to ensure a more prosperous tomorrow for all West Virginians, before policies coming out of Washington close this window of opportunity for good.

Charlie Burd is executive director of the Gas and Oil Association of West Virginia.