State of the Region Conference tackles shale gas issues

Jun 6, 2013
By George Mauzy and Amista Lipot

The second annual Appalachian Ohio State of the Region conference titled "Shale and Beyond," was held Tuesday in Walter Hall.

The purpose of the conference, which was presented by the Ohio University Voinovich School of Leadership and Public Affairs [http://www.ohio.edu/voinovichschool/], with support from the U.S. Department of Commerce, Economic Development Administration (EDA), was to promote an atmosphere for informational exchange across organizations, industries and communities in regards to shale gas.

Throughout the day, presenters talked about the latest happenings at the epicenters of the shale gas industry in Ohio, Carroll and Harrison counties, and discussed possible ways to sustain the business growth in the future while at the same time making sure the environment remains safe for residents.

The panel discussions included: Education and Workforce Development, Community Impacts, Capturing Local Wealth, Policy and Environmental Impacts, Jobs and Economic Development.

The primary speakers included representatives from the gas and oil industry, academic scholars and local organizations involved with these topics, and citizens from areas in our region where hydraulic fracturing activity is ongoing.

Ohio University President Roderick J. McDavis provided some opening remarks at the conference.

"By our nature, higher education has a tendency to unite organizations, industries, and communities around issues of importance and when it comes to the future of our state, I can think of few issues as relevant and impactful as hydraulic fracturing," McDavis said. "We
believe that preparing our local economies for the boom in such a way as to mitigate any bust that follows, is a responsible contribution we can make to our region."

McDavis said the future of the Appalachia region is intricately intertwined with the future of hydraulic fracturing and it is more important than ever that institutions of higher education work to promote information exchange on the potential risks and benefits.

"Today's State of the Region Conference has the potential to differentiate fact from fiction, to shape public perception, and to guide future commercialization in our great state," McDavis said.

The morning keynote speaker was Brendan O'Neill, managing director of IHS Public Sector Consulting. He discussed the current energy boom caused by the shale gas industry. He said the energy boom is supporting job growth in large and that the most likely outcome is continued moderate economic growth.

"$5.1 trillion in cumulative capital investment is expected to be made between 2012 and 2035 in unconventional oil and gas," O'Neill said. "We'll see the greatest job growth between 2013 and 2020 and by 2025, Ohio will be one of the top three states in regards to contributions of unconventional oil- and gas-related jobs."

O'Neill said other states who have seen this boom have witnessed an increase in road maintenance, sheriff's office overhead and state attorney office expenses to name a few.

"Fiscal and social pressures go hand-in-hand with prosperity," O'Neill said.

Scott Rotruck, vice president of corporate development and state government relations at Chesapeake Energy Corporation, served as the lunchtime speaker. Among the topics he discussed were landowner rights and the emergence of natural gas as a preferred energy source.

"The U.S. is one of the few countries where we own the mineral rights on our property," Rotruck said.

He said natural gas was once thought to be precious and scarce, but things have changed in the last five years because of the shale gas industry. He said now U.S. energy companies are talking about
exporting more of its abundance of natural gas to other countries for profit.

Earl Gohl, federal co-chair of the Appalachian Regional Commission, closed the meeting with his capstone speech. He said there were three themes for the day: Appalachia is in the first chapter of this new shale gas phenomenon, Appalachia needs to do its business the right way by protecting the environment, and community engagement is important to the future growth of the shale gas industry in the region.

"Markets are not always kind to Appalachia and we know we will have great days and bad days," Gohl said. "We need to limit and manage our bad days. When this chapter of Ohio's economy closes out, we need to have built the foundation and future. We're looking forward to lifting all the communities up for a stronger and more vibrant economy for our kids and grandkids and their kids and grandkids."

Gohl said it's time to solve the economic and technical issues surrounding the shale gas industry and we must do it early in the process.

"Today we laid out those challenges and issues, so you have to ask yourself, what will you bring back to the conference next year as accomplishments," Gohl said.

After the conference, John Glazer, one of the organizers of the conference and director of TechGROWTH Ohio, said the conference accomplished its goal of "bringing diverse people together from the community who face the problems, make the decisions and juggle with the plan and provide them with the opportunity to step back, reflect and get a lot of data and perspective."

With that goal in mind, Glazer said the conference was successful.

"There is a lot to learn and shame on us if we're not prepared because there are a lot of lessons out there," Glazer said. "We can say that we are still in the early stages and preparing and planning is what was called for today. Often today we would hear all the positive things going on now, but we need positive things going on later. The question for each and every one of them is, is it sustainable? We have to create life after shale."

Ohio University has served as an EDA University Center for 17 years,
providing direct assistance to businesses and entrepreneurs located throughout Appalachia Ohio. In addition the EDA University Center works closely with local economic development agencies to offer educational opportunities, such as the State of the Region Conference.

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