

PRESS RELEASE

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CGR Assesses Economic Impact of Pipeline on 5 Counties

Rochester, N.Y., February 11, 2013 – The Center for Governmental Research (CGR) has completed an economic impact assessment of the proposed Constitution Pipeline on the five-county region where the approximately 123-mile pipeline could be located. The counties are Broome, Chenango, Delaware, and Schoharie in New York and Susquehanna in Pennsylvania.

The pipeline proposed by the Constitution Pipeline Company is designed to connect New York City and Boston area markets with Marcellus Shale deposits of natural gas in northern Pennsylvania. The company engaged CGR to calculate the economic impact the project could have on the five-county region, based on the company's planned investment and employment.

CGR said the economic impact will be realized in two phases: 1) the preparation / planning / construction phase, which will take three years and have a temporary economic impact and 2) the operations phase, which would result in a long-term change in the regional economy.

Construction Phase

The company projects spending about \$683 million during the pipeline's initial three years, and CGR estimates \$188 million (28%) of the investment will directly benefit the five-county region. The economic impact during this period includes:

- The equivalent of about 2,400 FTE jobs annually in the region, with 1,400 directly in the construction industry.
- \$96 million of income in the region, with nearly \$60 million tied to construction.
- \$5 million in state income tax revenue split between New York and Pennsylvania.
- \$9 million in sales tax revenue in the region, with \$7.5 million of it in New York State.

Operational Phase

Once operational, the pipeline's economic impact would include:

- 12 FTE jobs in the region
- \$700,000 in new income in the region
- \$100,000 in additional New York and Pennsylvania income tax revenue
- \$13 million in property tax revenue for the counties. CGR estimates \$4.9 million for Delaware County; \$4.4 million for Schoharie; \$2.1 million for Broome; \$1.3 million for Chenango, and \$0.25 million for Susquehanna.

About CGR: Founded in 1915, CGR is a 98-year old independent, nonprofit management consulting organization with expertise in government management, public finance, economics, education, and health and human services. To learn more about CGR, visit www.cgr.org.