

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

August 1, 2013

The Honorable Lamar Smith
Chairman
Committee on Science, Space,
and Technology
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Eddie Bernice Johnson
Ranking Member
Committee on Science, Space,
and Technology
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Johnson:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 2850, the "EPA Hydraulic Fracturing Study Improvement Act of 2013." The legislation would ensure that any findings from a key EPA investigation of hydraulic fracturing are based upon, among other things, sound science, properly peer-reviewed work, and well-defined risk assessments.

The EPA is currently conducting an unprecedented, multi-year study into hydraulic fracturing and its impact on drinking water resources, titled "Study of the Potential Impacts of Hydraulic Fracturing on Drinking Water Resources." A study of this magnitude, which will have a significant impact on the economy and domestic energy production, must be conducted applying the highest possible scientific standards. The science and data that inform the results of the study must be of the highest caliber and instill confidence in the final work product. In order to achieve these standards, the "EPA Hydraulic Fracturing Study Improvement Act of 2013" would do the following:

- Codify EPA's designation of the final report as a Highly Influential Scientific Assessment (HISA);
- Require the EPA Administrator to ensure peer review of the report is conducted in compliance with the guidelines that govern HISAs, including EPA's Peer Review Handbook, EPA's Scientific Integrity Policy, and OMB's Final Information Quality Bulletin for Peer Review;
- Mandate that the EPA Administrator adhere to the guidelines for disseminating influential scientific information; and

- Require that the identification of any possible impacts of hydraulic fracturing on drinking water resources be accompanied by objective estimates of the probability, uncertainty, and consequence of each identified impact, factoring in the risk management practices of states and industry.

Under OMB guidelines, a scientific assessment is considered “highly influential” if its “dissemination could have a potential impact of more than \$500 million in any one year on either the public or private sector or that the dissemination would be novel, controversial, or precedent-setting, or has significant interagency interest.” The EPA hydraulic fracturing study clearly would meet these qualitative criteria because no federal study like it exists, the wider implications of the report likely will generate controversy, it will help inform policy in this country and possibly around the world, and it is of significant interest to other Federal agencies.

The EPA hydraulic fracturing study also unquestionably would meet OMB’s quantitative criteria for a HISA designation. Oil and natural gas production from hydraulic fracturing have had an extraordinarily positive impact on the U.S. economy. For instance, according to an October 2012 IHS study sponsored by the Chamber’s Institute for 21st Century Energy, unconventional oil and natural gas exploration and production in 2012 alone supported 1.75 million jobs, generated \$62 billion in government revenues, and added nearly \$240 billion to the U.S. economy. Oil and natural gas production from hydraulic fracturing also has helped move the U.S. closer to a manufacturing revival. With the availability of increased energy and feedstock resources at internationally competitive prices, many companies are looking to open new operations in the U.S., or in some cases, return their operations to this country. For example, the petro-chemical sector has announced a combined plan to invest in excess of \$100 billion in new manufacturing facilities.

The “EPA Hydraulic Fracturing Study Improvement Act of 2013” would assure the public that the study is sufficiently peer-reviewed, based upon quality scientific and technical data, properly disseminated, and that any potential impacts identified in the study results would be put in the appropriate context in terms of risk assessment.

The Chamber strongly supports H.R. 2850, the “EPA Hydraulic Fracturing Study Improvement Act of 2013.”

Sincerely,



R. Bruce Josten

cc: Members of the House Committee on Science, Space, and Technology