

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

May 25, 2010

The Honorable Henry Waxman
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Waxman and Ranking Member Barton:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, opposes an amendment expected to be offered by Rep. Diana DeGette to H.R. 5320, the "Assistance, Quality and Affordability Act of 2010," which would establish duplicative and burdensome disclosure requirements regarding materials used in the hydraulic fracturing process, which could ultimately limit domestic oil and gas production.

For the past 60 years, hydraulic fracturing has been safely and effectively regulated by the states. Oil and gas companies already provide full chemical disclosure in accordance with all applicable federal and state laws and regulations. In contrast to the assertions on which this amendment is premised, these materials are well known to state regulators and information about them are generally available to members of the public by request to the state.

More importantly, Rep. DeGette's amendment could reduce oil and gas production in the United States. It would provide a strong disincentive for companies to engage in further innovation with respect to hydraulic fracturing fluids. The loss of these new and innovative products would mean greatly reduced oil and gas production in the United States, greater reliance on imports, and the loss of high-paying jobs. Even though state regulatory programs have effectively managed the environmental considerations associated with hydraulic fracturing, some companies are working very hard to produce new systems that are even more environmentally safe. Rep. DeGette's amendment would undermine this technological innovation and development.

The use of hydraulic fracturing to tap oil and gas reserves is important to America's economy, competitiveness, and energy future. According to the American Petroleum Institute, over the past 60 years hydraulic fracturing has accounted for the domestic production of seven billion barrels of oil and 600 trillion cubic feet of natural gas. The National Petroleum Council reports that 60 to 80 percent of all wells in the next ten years will require fracturing to remain

productive and profitable; and it is indisputable that hydraulic fracturing is critical to the development of America's abundant shale gas resources.

This amendment would do nothing more than add an unnecessary layer of bureaucracy that would stifle domestic energy production, increase energy costs for American consumers and small businesses, and potentially force U.S. manufacturing overseas. At a time when the United States is trying to become energy independent, fight an ailing economy, and put Americans back to work, now, more than ever, is the time to harness the power of proven technologies that will develop American energy resources.

The Chamber urges the Committee to reject the amendment expected to be offered by Rep. DeGette to H.R. 5320, and instead respect states' primary roles in regulating the practice, which will preserve the crucial role of hydraulic fracturing as part of a sound domestic energy policy.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten

Cc: The Members of the Committee on Energy and Commerce