

# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

BETTINA POIRIER, MAJORITY STAFF DIRECTOR  
RUTH VAN MARK, MINORITY STAFF DIRECTOR

June 27, 2011

The Honorable Steven Chu  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Chu,

I want to address your recent charge to the Secretary of Energy Advisory Board (SEAB) and the Natural Gas Subcommittee to provide consensus recommendations on the “immediate steps that can be taken to improve the safety and environmental performance of fracking.”

The United States reached an extraordinary milestone in 2009 – a flood of domestic natural gas production propelled the United States past Russia to become the world’s largest producer of natural gas. American ingenuity combined cutting edge horizontal drilling technologies with advancements in hydraulic fracturing techniques to allow producers to safely tap into America’s truly massive natural gas shale deposits. But more importantly, these immense shale deposits are predominantly located in areas of the country where States exercise primacy in the effective and efficient regulation and permitting of oil and gas development.

Many in Washington are pressing, both legislatively and administratively, to expand federal regulatory and permitting powers to supplant State authority. It is with this concern that I have been closely monitoring the Obama Administration’s attempts to usurp State authority over America’s natural gas production by federal agencies and departments. As the SEAB’s Natural Gas Subcommittee begins its review of hydraulic fracturing, I would appreciate a full response to the following questions:

1. A May 19th presentation by DOE’s Office of Oil and Natural Gas to the SEAB was subsequently posted to the Shalegas.Energy.Gov website. Page 14 of the presentation highlighted 12 separate research topics to broadly examine hydraulic fracturing with an estimated cost to exceed \$64 million, presumably paid for by EPAct 2005 Sec 999 funds. On May 27th, page 14 of the presentation was removed and replaced with a new page 14 which no longer contained the budget estimates or the 12 separate research topics. Was this material part of the original presentation delivered to the SEAB on May 19th? Why was page 14 removed and replaced on the website on May 27th? Is DOE currently considering the expenditure of millions of dollars to examine hydraulic fracturing? If so, specifically what topics are under consideration for examination and how much would this research cost?
2. The May 5th memorandum to the SEAB states that contractors may be engaged to provide staff services to the Subcommittee. Please describe the process for selecting these contractors. Are these contracts awarded on a competitive basis? What, if any, contractors have

The Honorable Steven Chu

June 27, 2011

Page 2

been engaged to provide services to the Subcommittee and at what costs? What services are being provided? Is the Aspen Science Center, based in Aspen, CO, currently engaged as a contractor to provide services to the Subcommittee? If so, what is their role? Is DOE aware that the Aspen Science Center is currently engaged in promoting its own July 14th forum to "collaboratively create and ratify a universal hydraulic fracturing fluid disclosure standard"? If the Aspen Science Center is currently engaged to provide services, would the promotion of and recruitment of participants to this forum be a conflict of interest, or at the least give the appearance of conflict of interest, given a role with the SEAB?

3. Please provide any communications, regardless of means utilized, whether oral, electronic, by document or otherwise, SEAB or Natural Gas Subcommittee personnel have had with the White House, in particular but not limited to CEQ, relevant to the charge to the Subcommittee.

4. In the May 5th memorandum to the SEAB, you note that DOE is "not engaged in regulating [hydraulic fracturing]," and that DOE's task "does not include making decisions about regulatory policy." Based on these statements, can you confirm that any report issued by DOE pursuant to this announcement will not include recommendations relating to the regulation of the hydraulic fracturing process, or any components thereof, whether by DOE or any other Federal agency?

5. In his Blueprint, the President directed DOE to extend beyond members of the SEAB and include leaders from industry, the environmental community, and States. DOE's recent announcement includes the selection of an initial Subcommittee comprised of seven individuals who will be reviewing current technology practices and, ultimately, be issuing recommendations. Please provide the criteria used to select these individuals, as well as the basis upon which you will decide to add any additional members.

I would appreciate a response by July 18th. Thank you for your attention to this matter. If you have any additional questions, please contact Dan Barron, of my Environment and Public Works staff, at 202-224-6176.

Sincerely,



James M. Inhofe  
Ranking Member  
Committee on Environment & Public Works