

Opening Statement of Chairman Wyden

Natural Gas Forum 5.23.13

Welcome to our third and final forum on natural gas policy. After very good discussions on the transportation issue, the innovation and infrastructure question last week and on supply and export policy this past Tuesday, the committee is now going to turn to best practices and particularly look at ways in which industry and environmental folks and scientists and others can come together to address some of these questions about environmental policy that arise over shale development.

To start with, we'd like to hear from our witnesses where the industry stands on developing shale gas and managing environmental and safety concerns that go with it. We want to hone in particularly on four areas that seem to be critical in this debate: disclosure of the chemicals used in fracking, ideas for limiting methane emissions, managing water resources, and reducing, to the maximum extent possible, the practice of flaring. These are obviously familiar questions to all who have been paying attention to the debate and our hope is to get beyond rehashing some of the old arguments and positions. And we're interested in hearing what the industry is doing to address these concerns. And we want to hear from a number of thoughtful people in the environmental community with respect to their views on what is necessary to address those issues. My bottom line here is if natural gas is to power the first stage of a lower carbon future, how the states and the federal agencies work together to manage and enforce environmental rules across thousands of sites that stretch from coast to coast is of paramount importance.

On the disclosure issue, I have said a number of times that it needs to be done prior to drilling and it needs to be as full and complete as possible. We're interested in hearing about the most popular database for disclosure, what's called FracFocus, to learn more about what works and how it might be improved. One issue that has been raised is the database does not require companies to report the names of the chemicals in the fracking fluid in a standardized manner. Would improving that reporting requirement address the concerns of communities about transparency when it comes to being injected into the ground beneath their feet is essentially what the issue's about.

I know industry has made strides when it comes to green completions and other measures to limit methane emissions, but for our country to maximize the benefits of natural gas for power production, it must strive to limit leakage to the minimum level possible. Some have said that a leak of just 3.2 percent through the natural gas supply chain would significantly reduce the benefits of moving to gas. So we want to know what has been done in this area and what might possibly be done in addition.

When it comes to managing water resources, fewer things strike a deeper chord with communities than the challenge of managing the quality of their water. If we'd like to know what companies are doing to protect communities and minimize their water usage? We're particularly interested in learning how water quality monitoring is taking place *before* development as opposed to after the fact. Baseline monitoring seems to be critical to adequately measuring impacts.

Finally, we would like to see if the committee can get a commitment today to work together with bipartisan approaches, the industry and environmental community together, to reduce flaring to the minimum level necessary. This is an area where many states have achieved significant progress, including Chairman Smitherman's state of Texas. I want to hear the industry can do to get other state's levels of flaring down to Texas's levels – which, as I understand it, burns off less than ½ of a percent of the gas it produces.

We also know that we will undoubtedly hear comments today about the Interior Department's draft rules for shale development on federal land. I wrote then-Secretary Salazar earlier this year, these rules provide the opportunity to set a strong benchmark for other oil and gas regulators, both in terms of safety and environmental protection. So we'll be interested in hearing from our panel members about this issue, how well it provides for safe and environmentally sustainable gas production.