



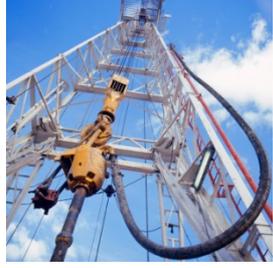
Interstate Oil & Gas Compact Commission

Legislative Update from Washington, DC

Committee on Legal and Regulatory Affairs

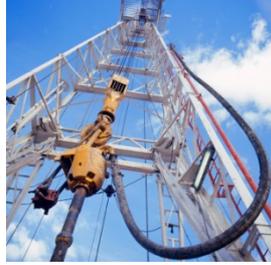
October 6, 2009





Summary of Presentation

1. Hydraulic Fracturing
2. Climate Change



Hydraulic Fracturing

History:

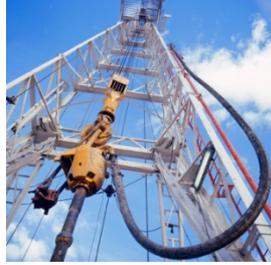
- 1994 - LEAF sues EPA contending hydraulic fracturing = injection under SDWA
- 1997 - The 11th Circuit agrees with Plaintiffs, forcing Alabama to amend its rules. (Strictly a legal interpretation – no finding of harm)



Hydraulic Fracturing

History:

- 2005 – Congress passes with bipartisan support legislation that declares that hydraulic fracturing \neq injection under SDWA (except for diesel fuels).
- 2009 - Responding to claims that hydraulic fracturing is unregulated by EPA and “thousands of incidents” of contamination, legislation is introduced in both the House and Senate.



Hydraulic Fracturing

2009 Legislation: House: H.2766

Title: To repeal the exemption for hydraulic fracturing in the Safe Drinking Water Act, and for other purposes.

Sponsor: Rep DeGette, Diana [CO-1] (introduced 6/9/2009)

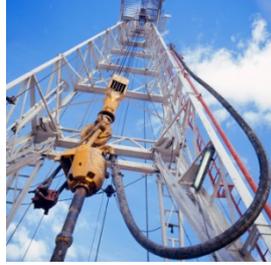
Cosponsors: Rep Arcuri, Michael A. [NY-24] ; Rep Baird, Brian [WA-3]; Rep Capps, Lois [CA-23] ; Rep Clay, Wm. Lacy [MO-1]; Rep Cohen, Steve [TN-9]; Rep Grijalva, Raul M. [AZ-7]; Rep Hall, John J. [NY-19]; Rep Hinchey, Maurice D. [NY-22]; Rep Hodes, Paul W. [NH-2]; Rep Holt, Rush D. [NJ-12]; Rep Kucinich, Dennis J. [OH-10]; Rep Maloney, Carolyn B. [NY-14]; Rep Massa, Eric J. J. [NY-29] ; Rep McHugh, John M. [NY-23]; Rep Moore, Gwen [WI-4]; Rep Moran, James P. [VA-8] ; Rep Murphy, Patrick J. [PA-8] ; Rep Polis, Jared [CO-2]; Rep Price, David E. [NC-4]; Rep Rush, Bobby L. [IL-1]; Rep Schakowsky, Janice D. [IL-9]; Rep Sestak, Joe [PA-7] ; Rep Tonko, Paul D. [NY-21] ; Rep Wexler, Robert [FL-19]; Rep Woolsey, Lynn C. [CA-6].

Latest Major Action: 6/9/2009 Referred to House committee. Status: Referred to the House Committee on Energy and Commerce.

SUMMARY :

Fracturing Responsibility and Awareness of Chemicals (FRAC) Act - Amends the Safe Drinking Water Act to: (1) repeal the exemption from restrictions on underground injection of fluids near drinking water sources granted to hydraulic fracturing operations under such Act; and (2) require oil and gas companies to disclose the chemicals used in hydraulic fracturing operations.





Hydraulic Fracturing

2009 Legislation: Senate: S.1215

Title: A bill to amend the Safe Drinking Water Act to repeal a certain exemption for hydraulic fracturing, and for other purposes.

Sponsor: Sen. Casey, Robert P., Jr. [PA] (introduced 6/9/2009)

Cosponsors: Sen. Cardin, Benjamin L. [MD] ; Sen. Feinstein, Dianne [CA] ; Sen. Schumer, Charles E. [NY] .

Latest Major Action: 6/9/2009 Referred to Senate committee. Status: Read twice and referred to the Committee on Environment and Public Works.

SUMMARY :

Fracturing Responsibility and Awareness of Chemicals (FRAC) Act - Amends the Safe Drinking Water Act to: (1) repeal the exemption from restrictions on underground injection of fluids near drinking water sources granted to hydraulic fracturing operations under such Act; and (2) require oil and gas companies to disclose the chemicals used in hydraulic fracturing operations.



Hydraulic Fracturing

Chances of either piece of legislation passing
in 2009:

0



Hydraulic Fracturing

- The bigger and more live issue is pressure for a new study by EPA.
- It gives House and Senate members “cover”.
 - Report language in House Interior Appropriations Bill this year. The Senate Bill was clean.
 - The danger is the requirement of a new “study” as a result of a “compromise” in conference.



Hydraulic Fracturing

An EPA Study?

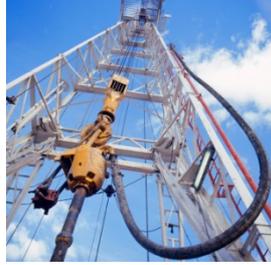
- EPA is reported to have hired an outside contractor to “study” the “thousands of incidents” of contamination.



Climate Change Legislation

Only one bill has passed either House of Congress.

- The “Waxman-Markey” bill.
- Otherwise known as the “American Clean Energy and Security Act of 2009.”
- A “Cap and Trade” Bill.



Climate Change Legislation

2009 Legislation: House: H.2454

Title: To create clean energy jobs, achieve energy independence, reduce global warming pollution and transition to a clean energy economy.

Sponsor: Rep Waxman, Henry A. [CA-30] (introduced 5/15/2009)

Cosponsors: Rep Markey, Edward J. [MA-7] .

Latest Major Actions:

6/26/2009 Passed/agreed to in House: On passage Passed by recorded vote: **219 - 212**

7/7/2009 Placed on Senate Legislative Calendar under General Orders.

SUMMARY : TOO LARGE TO SUMMARIZE

The Bill is 1427 pages

The CRS Summary would take 7 slides.



Climate Change Legislation

Senate legislation introduced just last week by EPW Chairman Boxer and Foreign Relations Chairman Kerry.

Hearings and markup up the bill could begin this month.

But



Climate Change Legislation

No Senate Climate Change Legislation will likely pass in 2009.

The U.S. delegation will almost certainly attend the climate change talks in December in Copenhagen without the U.S. having legislation passed and signed into law.

The reality is that Climate Change Legislation even in 2011 is a long shot.



Climate Change Legislation

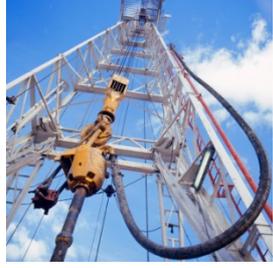
Why?

The House Bill was handled horribly.

Health Care Debate

Diminishing Prospects for Democrats in
2010 elections

Overwhelming California and NE support in
House translates into very Senate votes.



Climate Change Legislation

Other issues:

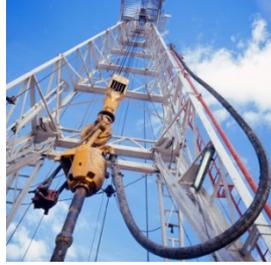
Natural Gas hugely disadvantaged in House bill. That will have to be remedied given role natural gas will almost certainly have to play in reducing greenhouse gas emissions.



Other Legislation

Legislation developed by House Natural Resources Committee Chairman Rahall would overhaul the federal oil and natural gas leasing system:

- Ending royalty relief.
- Enacting new environmental measures.
- Increase minimum bonus bids.
- Increase rental fees.
- Would create regional planning councils with decision making authority over federal oil and natural gas leasing.



Climate Change Legislation

Other issues:

Meanwhile the Senate Energy Committee has reported out a massive bi-partisan energy bill.

Features:

Renewable Energy Standard

Energy Efficiency Guidelines

Transmission Line Siting

Expanded Offshore Oil and Natural Gas Production

Weakness:

Ignores nuclear energy.



Contact Information

<http://www.iogcc.state.ok.us/>

Kevin Bliss : iogccdc@verizon.net or 202-416-5062

THANK YOU

