



Hearing Summary

HEARING ON OIL AND GAS EXEMPTIONS IN FEDERAL ENVIRONMENTAL PROTECTIONS

Rep. Henry A. Waxman

Chairman, Committee on Oversight and Government Reform

On Wednesday, October 31, 2007, the Committee held an oversight hearing on the applicability of federal environmental and health requirements to onshore oil and gas development. Witnesses at the hearing included representatives of national environmental groups, a medical toxicologist, a chemical expert, private citizens whose lives have been impacted by oil and gas operations, an oil and gas state regulator, and representatives from the Environmental Protection Agency and the Bureau of Land Management. The Committee heard testimony about the impacts oil and gas development has on the environment and the health of populations living near production areas. Additionally, the Committee learned of exemptions in federal environmental protections that are exploited by the oil and gas industry.

Oil and Gas Development Impacts Human Health and the Environment. Oil and gas development can negatively impact air and water quality, and disturb large swaths of land. Chemicals harmful to human health are commonly associated with oil and gas production and have the potential to contaminate soil, water, and air. The Committee heard testimony from private citizens who claimed their lives and health had been negatively impacted due to exposure to chemicals from nearby oil and gas development. Testimony from a medical toxicologist and chemical expert explained the scientific bases for concern.

Oil and Gas Development is Exempted from Certain Health and Environmental Protections. Certain aspects of oil and gas development are exempted from requirements in the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation, and Liability Act. For example, the Committee received testimony that a leading cause of water pollution in the Rocky Mountain west is stormwater runoff from construction activities such as those associated with oil and gas development. However, the Energy Policy Act of 2005 exempted oil and gas development from the stormwater runoff protections of the Clean Water Act.

Another example is an exemption for oil and gas in the Resource Conservation and Recovery Act, a law governing the handling and disposal of toxic wastes. Unlike other industries, oil and gas companies are authorized to dispose of chemicals used in oil and gas development in open air evaporation pits.

As a result of exemptions such as these, public health and the environment are at risk of being adversely impacted by oil and gas development activities.

Unregulated Practice of Hydraulic Fracturing Receives Scrutiny. Hydraulic fracturing is a process by which a mixture of water, sand and, chemicals are forced into a well at high pressure. The force of this injection causes fracturing in the underground rock formation and allows trapped natural gas to escape. Although hydraulic fracturing may introduce toxic chemicals to underground sources of drinking water, Congress exempted the process from regulation under the Safe Drinking Water Act in the Energy Policy Act of 2005. Accordingly, the EPA currently does not regulate hydraulic fracturing. Instead, EPA relies upon a voluntary Memorandum of Agreement with three companies that provide fracturing services, Halliburton, B.J. Services, and Shlumberger, to end the use of diesel fuel as a hydraulic fracturing fluid in coalbed methane wells. At the hearing, EPA was unable to assure the Committee that hydraulic fracturing service companies did not use hazardous substances in fracturing fluids.

The Bureau of Land Management Ignores a Federal Requirement to Study the Impacts of Coalbed Methane Development. The Energy Policy Act of 2005 requires the Secretary of Interior to enter into an agreement with the National Academy of Sciences to study the environmental impacts of coalbed natural gas development and present recommendations for action to Congress. During the hearing, Chairman Waxman released a letter to Secretary of Interior Dirk Kempthorne noting the Department's failure to comply with this statutory requirement and detailing internal Administration documents that revealed that the Administration did not plan to comply with this section of the law. Chairman Waxman called upon the Secretary to comply with the law.

Additional information, including Chairman Waxman's statement and copies of testimony, is available online at www.oversight.house.gov.