



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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November 4, 2013

The Honorable Doc Hastings
Chairman
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

The Industrial Energy Consumers of America (IECA), the largest manufacturing energy consumer trade association in the United States, employing over 1.4 million employees, strongly supports H.R. 2728, the “Protecting States’ Rights to Promote American Energy Security Act.” States with regulatory authorities over hydraulic fracturing are doing a very good job and should not have new federal regulations imposed. If states do not have regulatory programs in place, then Federal requirements should apply. It is important to remember that all regulatory costs are passed onto homeowners, farmers and manufacturing companies.

This issue is not just about federal lands. The Bureau of Land Management’s (BLM) proposed rule sends the wrong message to stakeholders in non-federal land states which imply that state designed regulatory programs are inadequate – all without justification.

IECA is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales. IECA membership represents a diverse set of industries including: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, brewing, and cement.

The manufacturing sector uses roughly 25 percent of the U.S. natural gas, 100 percent of the natural gas liquids which are used as a chemical feedstock, and about 25 percent of U.S. electricity, much of which is generated using natural gas. Our competitiveness is largely dependent upon the cost of natural gas.

The manufacturing sector is benefiting greatly from our nation’s newfound abundance of natural gas due to the hydraulic fracturing technology. The low cost of natural gas has resulted in over \$100 billion in new manufacturing capital investments.

At the heart of our concern is that the BLM proposed hydraulic fracturing rule does not have scientific justification. In proposing its rule, BLM failed to identify any specific shortcomings for existing state regulation. As a result, the new BLM rule overlays a myriad of duplicative and costly requirements. A July 2013 study by the Western Energy Alliance found that BLM rules would increase compliance costs by approximately \$100,000 per well.

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We encourage all members of Congress to support this legislation in order to ensure that natural gas production from federal lands increase, which will create new jobs and affordable natural gas and electricity that benefit all 50 states.

Sincerely,

Paul N. Cicio
President

cc: U.S. House of Representatives