

cement reinforcement to protect against groundwater contamination. Fracturing involves removing thousands of gallons of waters from the well which includes the fracturing fluids. Once these fluids are returned to the surface, regulations require they are treated, stored, and isolated from groundwater zones. All these processes together work to significantly reduce the risk to groundwater.

This DOE and Ground Water Protection Council report ultimately concluded that Federal regulations on fracturing would be “costly, duplicative of State regulations, and ultimately ineffective because such regulations would be far removed from field operations.” Equally interesting, the report also concluded—and keep in mind this is the report of the Department of Energy and the Ground Water Protection Council—the “only alternative to fracturing in reservoirs with low permeability such as shale would be to simply have to drill more wells.” In other words, if we are not able to get these wells to produce a lot of shale, we would have to drill a lot of wells in their place.

These findings mirror the EPA’s 2004 report of hydraulic fracturing in CBM production. EPA noted that fracturing involves the removal of thousands of gallons of ground water. This removal includes the fracturing fluids and the possibility that fracturing chemicals affect ground water. EPA also concluded that the low permeability of rock where hydraulic fracturing is used acts as a barrier to any remnant of fracturing chemicals moving out of the rock formations, as has been proven.

None of these findings are new. In the 1980 amendments to the Safe Drinking Water Act, Congress acknowledged that “32 States that regulate underground injection related to production of oil and gas believe they have programs already in place to meet the requirements of this Act. States should be able to continue these programs unencumbered with additional Federal requirements.”

We need to recognize that in considering additional Federal regulation we are experimenting with disaster. In January, the DOE released a report by Advanced Resources International, which evaluated the economic and energy supply effects on oil and gas exploration and production under a series of new regulatory scenarios. One scenario evaluated the effects from new Federal regulation of hydraulic fracturing. According to the report, the largest cost for new unconventional gas wells would be from any new Federal regulations on hydraulic fracturing. The report concluded these costs would amount to an additional \$100,000 for each well in the first year alone.

Among other factors, this report concludes that increasing Federal regulations on hydraulic fracturing would reduce unconventional gas production by 50 percent over the next 25 years. Even

more recently, the American Petroleum Institute released a report in June which only evaluated the effect of increased Federal regulations and the effect of eliminating the practice of hydraulic fracturing altogether. The report determined that through duplicative Federal regulations, the number of new oil and natural gas wells drilled would drop by 20 percent in the next 5 years.

Should hydraulic fracturing be eliminated, new oil and gas wells would drop by 79 percent resulting in 45 percent less domestic natural gas production and 17 percent less domestic oil production.

It would be a disaster to impose new Federal regulations. They are talking about doing that now. They talked about it a few years ago. Every report has discouraged that from happening. Again, I am not alone in this opinion. Colorado Governor Bill Ritter recognizes the value of the practice. In the Denver Business Journal, the Governor characterized the bills pending in Congress imposing new Federal regulations on hydraulic fracturing as “a new and potentially intrusive regulatory program.” That was Governor Bill Ritter. A Colorado newspaper recently reported a number of Colorado counties have adopted resolutions against the pending Federal bills. States are passing their own resolutions opposing new Federal regulation of hydraulic fracturing.

For example, in March the North Dakota Legislature passed a concurrent resolution—I say to the Senator from North Dakota—to not subject hydraulic fracturing to needless and new Federal regulation. North Dakota is home to the Bakken shale, where oil wells are reported to be producing thousands of barrels a day.

America has tremendous natural gas reserves. The exploration and production of these reserves using hydraulic fracturing has been regulated by the States and conducted safely for 60 years. The oil and gas industry contributes billions in State and Federal revenues each year and billions in salaries and royalty payments. The oil and gas industry employs 6 million people in the United States. When the United States is approaching 10 percent unemployment, and when we want energy security and independence from foreign energy, why would we want to go out of our way to restrict an environmentally and economically sound means to extract our own resources—a means that has demonstrated effectiveness and safety for 60 years?

The oil potential in ANWR would produce 10 billion barrels or 15 years’ worth of imports from Saudi Arabia. The RAND Corporation has reported that the new potential production in just Utah, Colorado, and Wyoming would be around 1 trillion barrels of oil. That is three times Saudi Arabia’s oil reserves and more oil than we are currently importing from the entire Middle East. But the Democrats will

not let us produce. We are currently the only country in the world that doesn’t develop its own resources. In fact, the President’s budget imposes \$31 billion in new taxes on oil and gas development. We must not impose any new—

The ACTING PRESIDENT pro tempore. The morning business period is closed.

Mr. INHOFE. I will finish this last sentence, if it is all right.

We must not impose new burdens. This is a procedure that is necessary for us to put ourselves in a situation where we can become energy independent, and I encourage all my colleagues to look very carefully at the one thing that is going to give us that independence, and that is this procedure called hydraulic fracturing.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is concluded.

#### ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS ACT, 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 3183, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3183) making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2010, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

AMENDMENT NO. 1813

(Purpose: In the nature of a substitute)

Mr. DORGAN. Mr. President, I call up the substitute amendment to H.R. 3183, which is at the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 1813.

Mr. DORGAN. Mr. President, I ask unanimous consent to dispense with the reading of the substitute amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The amendment is printed in today’s RECORD under “Text of Amendments.”)

Mr. DORGAN. Mr. President, this is the Energy and Water Development Appropriations Subcommittee bill that I bring to the floor this week with my colleague, Senator BENNETT, from Utah. I am chairman of the subcommittee, Senator BENNETT is the ranking member, and we have worked on the bill for some long while.

On July 9, 2009, by a vote of 30 to 0, the committee recommended the bill,