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July 30, 2013

The Honorable Doc Hastings
Chairman
House Committee on Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

Dear Chairman Hastings:

On behalf of the American Petroleum Institute, I write to express our support for H.R. 2728, the Protecting States' Rights to Promote American Energy Security Act. The production of oil and natural gas from shale and tight sand formations is the most significant development in U.S. energy in generations. The states have led the way in regulating hydraulic fracturing operations while protecting communities and the environment for decades, and it is through this regulatory system that shale energy production has flourished.

The United States is becoming a global energy-leader because of an abundance of energy from shale, which is also making a significant contribution to the economy, and helping to reduce our carbon emissions to near 20-year lows. According to the research firm IHS Global Insight, shale energy production has created billions of dollars in additional revenues for federal, state and local governments, helped American consumers save an average of \$926 annually per household, and supported more than 1.75 million jobs in 2012.

The states are and historically have been in the best position to regulate oil and natural gas operations, including hydraulic fracturing because state laws can be tailored to address the specific characteristics of state geology, hydrology, geography, etc. In addition, states have demonstrated the ability to quickly and effectively update and adapt their environmental and safety regulations to ensure safe, reliable, and environmentally sound operations while addressing changes in technology. Along with the American National Standards Institute (ANSI)-accredited API standards programs, the states continue to be in the best position to effectively regulate hydraulic fracturing activities. This bill acknowledges the strong role state regulation of hydraulic fracturing has played in this new energy revolution and the importance of continued state leadership.

Smart energy policies will position the U.S. to continue to be the world leader in energy development and realize the economic and energy security benefits of that role. The leadership of the states has helped drive the country to unprecedented levels of energy production, and H.R. 2728 will help to ensure that the country continues to realize the game-changing opportunities presented by shale energy development.



Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Erik Milito".

Erik Milito