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October 2, 2014

The Honorable Arthur A. Elkins, Jr.
Inspector General
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Inspector General Elkins:

I am deeply concerned that your Office is moving forward with its review "on the EPA's and states' ability to manage potential threats to water resources from hydraulic fracturing" and is actively drafting a report. Several colleagues and I raised concerns with this project in a May 8, 2014, letter, and your response was unsatisfactory and failed to adequately demonstrate why your office should be allowed to continue its work.

It is worth revisiting that the principle mission of the Office of the Inspector General (OIG) is to "prevent and detect fraud, waste, and abuse…of the programs and operations of the Environmental Protection Agency (EPA)." In your response to the May 8, 2014, letter you agreed with our understanding of the Department of Justice's principle that "OIGs have an oversight [obligation] rather than a direct role in investigations conducted pursuant to regulatory statues." But the report your office is developing falls squarely in the category of regulatory investigations, which is wholly inappropriate, particularly as it relates to its review of state based regulations.

The hydraulic fracturing process has been used extensively for the better part of five decades. First done in Duncan, Oklahoma in 1949, over one million wells have since been hydraulically fractured, and not a single case of groundwater contamination has ever been confirmed. EPA Administrators have consistently affirmed this even as the agency has attempted to demonize the process and those who practice it. In recent years, hydraulic fracturing has been among the most extensively studied and regulated components of the energy industry, and the EPA is presently working on the multi-year, multi-million dollar study over the process and the potential risks it may pose to water resources. That your office has initiated this investigation at its own behest, without any external request, brings into question the OIG's judgment and ability to effectively manage its resources, which you have personally admitted are stretched thin.

The Ground Water Protection Council (GWPC) is a nonprofit organization comprised of state regulatory agencies focused on the protection of water resources. Today, GWPC released a report entitled "*State Oil and Gas Regulations Designed to Protect Water Resources*," and it

provides in depth analysis of the regulatory frameworks used by the nation's major oil and natural gas producing states. An update to a similar 2009 report, GWPC's review concludes that "In step with dramatic industry growth over the past five years, states have substantially improved groundwater protection laws and regulations governing oil and natural gas production." And there is no cause for concern that this will not continue because state regulatory practices cater to the "unique local circumstances and characteristics" and "over time, they evolve to address the public concerns about the safety and environmental impact of oil and gas development, as well as rapidly changing technologies, new field discoveries, revised operational practices, internal and external reviews, and regulatory experience."

The conclusions of GWPC's report highlight that there is no need for OIG to step out of its core area of responsibility to conduct a study on the efficacy of state based hydraulic fracturing regulations. On a consistent basis, states have successfully demonstrated their ability to regulate; there has been no instances of it causing groundwater contamination. Spending any resources in addition to the $262,508 the OIG has already spent on its report would be a further waste of taxpayer dollars and continue to distract the Office from its important mission.

I urge you to review the GWPC report and discontinue your investigation.

Sincerely,

James M. Inhofe
United States Senator