

## Position Paper Hydraulic Fracturing Policy

### Position

Hydraulic fracturing (fracking) makes it possible to extract and produce natural gas and oil in places where conventional technologies are ineffective. Fracking has unlocked massive new supplies of clean-burning natural gas and oil from dense shale plays, increasing America's energy security, improving our ability to economically generate electricity, bolstering local economies and putting millions of Americans to work. The Plastics Pipe Institute (PPI) supports sound policy that provides consistent regulations over fracking operations at the federal, state and local level that does not hamper innovation while still protecting the environment.

### Background

A series of studies conducted by the Environmental Protection Agency found that hydraulic fracturing practices have not "led to widespread, systemic impacts on drinking water resources in the United States." However, although fracking has been practiced for decades, it has become a high-profile and controversial issue in the national debate over energy policy. The shale energy revolution, driven primarily by current fracking and horizontal drilling technologies, is creating high-paying jobs and generating economic activity in localities around the country. Fracking also generates royalty payments to property owners and expands the local tax base. Importantly, the increased supply of natural gas and oil is unquestionably contributing to the Nation's manufacturing renaissance.

Plastic piping is in high demand for oil and gas gathering systems where they safely transport energy from a fracked well to the processing plant or interconnection to larger transmission pipelines. PPI estimates that more than 625 million pounds of polyethylene and polyamides, and more than 25 million feet of spoolable composite piping are produced and distributed across the country every year for oil and gas production supporting the yearly need to construct at least 14,000 miles of new gas gathering lines and 7,800 miles of oil gathering lines all to the tune of approximately \$30 billion in annual investment over the next 20 years, according to industry estimates. IHS Global further estimates that the shale oil & gas industry alone currently supports hundreds of thousands of jobs and will support well over one million jobs and generate more than \$930 billion in federal, state, and local tax and royalty revenues over the next 25 years.

These piping systems have demonstrated significant performance advantages and are corrosion and fatigue resistant. Polyethylene represents the vast majority of gas distribution pipelines. Polyamides are seeing increased use in higher pressure applications, and spoolable composites represent a large portion of the infrastructure installed to support development of natural gas and oil production and transportation.

Unfortunately, state and local ballot initiatives threaten the development of these critical natural resources. Recent decisions out of high courts in Colorado and New York have empowered local governments with control over gas and oil drilling and operations despite the fact that state governments are usually better equipped to address these issues. Providing local governments blanket authority over energy development will lead to a convoluted and overlapping set of local zoning ordinances. PPI supports consistent policy related to hydraulic fracturing of oil and natural gas producing fields.