



# POSITION STATEMENT

## TESTIMONY PRESENTED TO THE SENATE JUDICIAL PROCEEDINGS COMMITTEE

### SENATE BILL 458 – CIVIL ACTIONS – HYDRAULIC FRACTURING LIABILITY ACT

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

#### **POSITION: Oppose**

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 60-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability. It is an organization that prides itself on advocating for changes in public policies that strengthen the business climate while improving the quality of life in the region.

#### **The Greater Baltimore Committee opposes Senate Bill 458 – Hydraulic Fracturing Liability Act.**

Safe, reliable and clean sources of energy are critical to the future economic growth and quality of life for all Marylanders. For these reasons, on June 6, 2011, Governor O'Malley signed an Executive Order establishing the Marcellus Shale Safe Drilling Initiative to ensure that if drilling for natural gas from the Marcellus Shale (known as "fracking") proceeds in Maryland, it is done in a way that protects public health, safety, natural resources, and the environment. The Executive Order required the Maryland Departments of the Environment and Natural Resources, along with a wide array of stakeholders, to examine the issue of drilling for natural gas from the Marcellus Shale in Western Maryland and present a report with recommendations on how to proceed.

Following over three years of study, in December 2014 the Maryland Departments of the Environment and Natural Resources released a final report, stating that, "provided all the recommended best practices are followed and the State is able to rigorously monitor and enforce compliance, the risks of Marcellus Shale development can be managed to an acceptable level." Despite the research and recommendations contained in this comprehensive report, proposed legislation continues to emerge that would heavily limit the development of Marcellus Shale, thereby preventing Western Maryland from realizing what is estimated to be nearly 3,500 jobs and millions of dollars in tax revenue.

Senate Bill 458 would essentially ban fracking in Maryland by creating some of the strictest liability standards in the nation. While the legislation does not explicitly ban fracking, the standards detailed in the bill are so stringent that it is safe to assume no company would be interested in doing business here.

In June 2013, the Greater Baltimore Committee held its inaugural Chesapeake Conference of CEOs, bringing together private sector business leaders from across the Baltimore region in an effort to create an action-oriented strategy on how to strengthen our state's competitiveness. Maryland's regulatory environment was one of the top-cited challenges to Maryland's business climate.

This proposed legislation is yet another attempt to further regulate an already overregulated business community. The recommendations and best practices set forth in the aforementioned report should be followed and businesses should be allowed to operate within the confines of those recommendations without facing any undue burdens.

**For the reasons stated above, the Greater Baltimore Committee urges an unfavorable report of Senate Bill 458.**

**GREATER BALTIMORE COMMITTEE**

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org