



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE

SENATE BILL 29 – HYDRAULIC FRACTURING – PROHIBITIONS

**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 29 – Hydraulic Fracturing – Prohibitions.

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 should drilling for natural gas from the Marcellus Shale (known as "fracking") proceed 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 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 409 seeks to prohibit the storage, treatment, discharge, or disposal of wastewater resulting from hydraulic fracturing, and prohibits someone from engaging in hydraulic fracturing for the exploration or production of natural gas.

This issue was studied at length by the Maryland Departments of the Environment and Natural Resources. Throughout the course of their study, the departments consulted with an advisory commission made up of a broad array of stakeholders, including public health experts, local government officials, and conservation and watershed experts. To now enact legislation that is in complete violation of the recommendations set forth in the recent report would essentially invalidate all of the work done by the departments and the many stakeholders who were consulted throughout the process.

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, particularly when it comes to predictability. This proposed legislation is a perfect example of how unpredictable and undependable legislative and/or regulatory actions can persistently hinder economic activity. The state studied the issue and recommendations were made through a deliberate, diligent, and thoughtful process. Those recommendations and best practices should be followed and businesses should be allowed to operate within the confines of those recommendations without facing any further undue burdens.

For the reasons stated above, the Greater Baltimore Committee urges an unfavorable report of Senate Bill 29.

GREATER BALTIMORE COMMITTEE

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