

To American Energy Policy Leaders:

Consumer Energy Alliance (CEA) is writing in support of States First, a joint initiative of oil and natural gas producing states.

Recently governors, regulators, and policy leaders from these states partnered with the Interstate Oil and Gas Compact Commission and Ground Water Protection Council to support and enhance the role of the states as the primary and appropriate regulators for oil and gas development.

CEA is a non-profit, non-partisan organization committed to working with elected leaders, affected stakeholders and consumers to help create sound energy policy and maintain stable energy prices. As part of a balanced energy policy, CEA advocates for expanded domestic production and use of all energy resources, including traditional hydrocarbon resources, nuclear energy, renewable sources, and energy efficiency and conservation, as a means to provide price stability for consumers. CEA has more than 230 affiliated companies and organizations, including energy suppliers and producers, manufacturers, farmers, small businesses and community organizations, as well as a nationwide network of almost 400,000 consumer-advocates. The affordable energy supplied by domestic oil and natural gas enables these companies to manufacture and transport their products, create jobs, and stimulate the economy.

We recognize that state regulatory programs have been at the forefront of oil and gas exploration since 1935. These programs, which are as varied as the geography, climate, geology and social fabric of the states, are designed to be flexible, yet effective, in providing the world's best environmental protection and regulation.

We are proud of the job that state regulatory agencies are doing, and have been doing well since regulation began. Furthermore, we support their commitment to continued excellence by creating a State Oil and Gas Regulatory Exchange, a dynamic forum where states can reach out and communicate with one another in an ongoing effort to keep current with rapidly changing technology, as well as to share the very best and innovative regulatory procedures from state to state.

States have also been proactive in efforts to achieve regulatory transparency through projects such as FracFocus (www.fracfocus.org) and GroundWork (www.groundwork.iogcc.org).

CEA supports the continued role of states as the primary regulators over oil and natural gas development. State programs are working. State regulators are on the ground, have decades of experience, and are following a path of continuous improvement. And finally, their local and common sense approach to regulation ensures our companies are provided with the affordable energy they need to thrive.

Sincerely,

David Holt President

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