

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460

OFFICE OF INSPECTOR GENERAL

February 5, 2014

MEMORANDUM

SUBJECT: Project Notification:

EPA's Oversight of Hydraulic Fracturing Impact on Water Resources

Project No. OPE-FY 14-0018

FROM: Dan Engelberg

Director, Water Issues, Office of Program Evaluation

TO: Nancy Stoner

Acting Assistant Administrator for Water

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) is starting preliminary research on the EPA's and states' ability to manage potential threats to water resources from hydraulic fracturing. This project is included in our fiscal year 2014 annual plan.

The purpose of this memorandum is to schedule a kickoff meeting to confirm our mutual understandings on the objective and scope of the evaluation and the responsibilities of the Office of Water and the EPA OIG during the project.

The OIG's objective is to evaluate how the EPA and states have used their existing authorities to regulate hydraulic fracturing impacts to water resources. In meeting this objective, we will determine and evaluate what regulatory authority is available to the EPA and states, identify potential threats to water resources from hydraulic fracturing, and evaluate the EPA's and states' responses to them. We plan to perform work within the Office of Water and the EPA regions. We also plan to gather information from states with substantial hydraulic fracturing activity. In addition, we will contact environmental groups, industry groups, and gas and oil producers. The project will be conducted using applicable generally accepted government auditing standards. The anticipated benefits of this project are improved preventative and response measures and improved coordination among the EPA, states and industry to ensure water resources are adequately protected from the impacts of hydraulic fracturing.

I will supervise this project and Johnny Ross will serve as Team Leader. We will provide updates on a regular basis through meetings and correspondence with members of your office as necessary. If you or your staff have any questions, please do not hesitate to contact me at (202) 566-0830 or engelberg.dan@epa.gov.

We will contact you within one week to arrange a mutually agreeable time to schedule our evaluation kickoff meeting to discuss our objectives and the purpose of the preliminary research phase of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any questions you may have about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project.

cc: Michael H. Shapiro, Principal Deputy Assistant Administrator, Office of Water Peter C. Grevatt, Director, Office of Ground Water and Drinking Water, Office of Water Eric Bissonette, Acting Deputy Director, Office of Ground Water and Drinking Water, Office of Water

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