



The Senate of The State of Texas

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SENATOR WENDY R DAVIS
District 10

DEC 15 2010

December 14, 2010

Via Hand Delivery & Email

Sunset Advisory Commission
1501 North Congress Avenue
6th Floor, Robert E. Johnson Bldg.
Austin, TX 78701

Re: Recommendations to Sunset Commission review of the TCEQ

Dear Chairman Hegar & Sunset Commission Members,

Thank you to the Sunset Commission staff for all the research and work you have done to produce your report regarding the Texas Commission on Environmental Quality (TCEQ).

The TCEQ plays a critical role in overseeing the burgeoning natural gas industry, which is especially important to North Texans. As with any rapidly-growing industry, there is a shared challenge to ensure that our state agencies keep pace. We must take care to ensure that the laws passed by the Texas Legislature do not harm responsible gas drilling, which creates jobs, stabilizes our economy, financially benefits mineral rights owners, and provides our nation with a cleaner-burning energy source that reduces our nation's dependency on foreign oil. With appropriate oversight, we need not sacrifice our health, safety, and quality of life while building wealth.

Constituents and stakeholders in Senate District 10 have brought to my attention several issues that have not been adequately addressed by either the legislature or the agency in question. In some cases, the lack of oversight is not the direct fault of the agency but the failure of the legislature to give proper authority in regard to natural gas drilling and production. In cases where there has been a lapse in the authority by the agency itself, I have made an effort to communicate directly with the agency. My goal has been to ensure that we are appropriately using all the available tools to guarantee that the industry can continue to prosper and grow without adversely affecting the safety of our families and children.

For the benefit of the Commission, you will find a series of recommendations below, borne out of these experiences and constituent concerns, which would help remove redundancies in the system and better assign specific responsibilities for the TCEQ in order to accurately and effectively address issues important to the industry and the communities in which they operate.

Suggested additions to the Sunset Commission's recommendations regarding the TCEQ:

- 1) Require by rule the agency look at water supply issues, especially groundwater, in the Barnett Shale and the Eagle Ford Shale.

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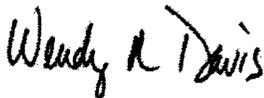
- 2) Rules for mandating air emissions control technology should be considered.
- 3) Rules for evaluating the risks of storm water runoff from operation sites should be established.
- 4) The use of TERP funds should be expanded, so that they can be used to purchase, operate, and maintain short-term and long-term air quality monitoring equipment to evaluate levels of air contaminants, including particulate matter, nitrogen oxides, volatile organic compounds, air toxics, and carbon monoxide. These funds should also be made available for the use of any needed support staff.
- 5) Agency information relevant to the health and safety of the public should be released promptly, even if further action is contemplated or required.
- 6) Enhance the agency's authority to respond to the complex nature of air emission permitting associated with rapid energy production in dense urban environments. This authority should include the ability to revoke or alter permit requirements to address public health risks and the power to effectively manage the cumulative effects of concentrated well sites and related equipment in urban settings.

I support the adoption of the following Sunset Commission staff recommendations:

- The creation of a more user-friendly website and better policies for providing public information; and,
- Increasing statutory fees and penalties to reflect current costs and the need for these costs to help fund TCEQ at a time when their responsibilities are increasing as the natural gas business rapidly increases in Texas.

Thank you to the Sunset Commissioners for all the work completed on behalf of Texas, especially the months of research that go into preparing these reports and recommendations. I hope that my recommendations play a beneficial role in the work that you have already accomplished, and I look forward to working with you to better equip our agencies to meet increasing challenges in the coming years. Once again, please feel free to contact me or my staff if you have any questions or concerns.

Sincerely,



Wendy R. Davis
Texas Senator - District 10