

Presidential Documents

Memorandum of October 31, 2020

Protecting Jobs, Economic Opportunities, and National Security for All Americans by Ensuring Appropriate Support of Innovative Technologies for Using Our Domestic Natural Resources

Memorandum for the Secretary of State[,] the Secretary of the Treasury[,] the Secretary of Defense[,] the Attorney General[,] the Secretary of the Interior[,] the Secretary of Agriculture[,] the Secretary of Commerce[,] the Secretary of Labor[,] the Secretary of Transportation[,] the Secretary of Energy[,] the United States Trade Representative[,] the Administrator of the Environmental Protection Agency[,] the Director of the Office of Management and Budget[,] the Assistant to the President for National Security Affairs[,] the Assistant to the President for Economic Policy[,] the Chairman of the Council of Economic Advisers[,] the Director of the Office of Science and Technology Policy[,] the Chairman of the Council on Environmental Quality[, and] the Administrator of the Office of Information and Regulatory Affairs

By the authority vested in me as President by the Constitution and the laws of the United States of America, I hereby direct the following:

Section 1. Purpose. This memorandum sets forth policies related to protecting American jobs, economic opportunities, and national security by ensuring appropriate support of hydraulic fracturing and other innovative technologies for the use of domestic natural resources, including energy resources. In support of these policies, this memorandum directs certain officials to assess the potential effects of efforts to ban or restrict the use of such technologies.

Sec. 2. Background. Our country has been favored with abundant land, wildlife, and natural resources. Americans have rightly seen this abundance as both an opportunity and a responsibility. Our blessings have rightly been a great source of national pride and gratitude. As we enjoy these bounties, we are also bound by a responsibility of stewardship to use, protect, and preserve them for future generations.

Among the greatest of our blessings are our energy resources, which all too often we take for granted. Our Nation has untold potential to deliver energy to provide us with the necessities—light, heat, cold, food, and water, to say nothing of modern telecommunications—for our daily lives at home and at work, and our travel from place to place. Reliable, affordable energy is essential for running our homes, businesses, farms, factories, health care facilities, and schools, and is critical to every sector of our economy, including our energy-intensive and trade-exposed industries. Access to dependable, inexpensive sources of energy is a cornerstone of our well-being, of our economic strength and global competitiveness, and of our national security.

One of the great success stories of our time has been the development of hydraulic fracturing (often known as “fracking”) and other technologies to facilitate the extraction of natural resources from the earth. Hydraulic fracturing is a process that provides access to reservoirs of natural gas and petroleum by opening rocks deep underground. When coupled with horizontal drilling and other new technologies, fracking has opened up new sources of inexpensive, reliable, abundant energy for our country. It has also produced jobs and economic opportunities for many Americans.

In a report issued in October 2019, the Council of Economic Advisers (CEA) estimated that by lowering energy prices, the use of fracking and other innovations had saved United States consumers \$203 billion per year, or \$2,500 in annual savings for a family of four. These savings disproportionately benefit low-income households, which spend a larger share of their income on energy bills, representing 6.8 percent of income for the poorest fifth of households compared to 1.3 percent for the richest fifth of households. The CEA estimated that greater productivity had reduced the domestic price of natural gas by 63 percent as of 2018; had led to a 45 percent decrease in the wholesale price of electricity; and had reduced the global price of oil by 10 percent as of 2019.

The transformation wrought by technologies such as fracking is not only the result of America's natural abundance and Americans' capacity for scientific discovery and practical invention. It is also a testament to our Nation's greatest resource: our hardworking men and women. Energy workers have dedicated their lives to an industry that is essential to the modern world, and their labors have demonstrated their talent, perseverance, and courage. Even in the midst of this unprecedented pandemic, essential energy workers have continued to ensure that our Nation has the energy that it needs to survive and to flourish. We owe these workers our gratitude. We also owe them appropriate respect and support for their careers, their livelihoods, and their families.

It should be emphasized that technologies such as fracking—when used lawfully and responsibly, with appropriate attention to environmental, health, and safety protections—are vital not just to our domestic prosperity but also to our national security. Shortly after I entered office, I issued Executive Order 13783 of March 28, 2017 (Promoting Energy Independence and Economic Growth), which directed an immediate review of all agency actions that potentially burdened the development or use of domestic energy resources. That order also rescinded certain actions of the previous Administration that, in my judgment, were not consistent with the national interest and the Nation's geopolitical security. As a result of new technologies and my Administration's continued push for energy independence, our country recently became a net energy exporter for the first time since 1952, as well as the leading producer of oil and natural gas in the world. We are no longer beholden to foreign countries upon which we had depended for decades for the survival of our way of life. This achievement is a great accomplishment for our country, which should not be taken for granted.

Now that we have achieved a dominant position in energy production, powerful voices in the United States, echoed by countries such as China and Russia, are clamoring for policies that would undermine that position, forgetting the very real costs and risks of energy dependence. Some of these voices call for using legislative or regulatory mechanisms to ban, or sharply restrict, the use of fracking and other technologies. In my view, such proposals are not responsible and would be harmful to the economic and national security of the United States.

Sec. 3. Policy. It is the policy of the Federal Government to aggressively protect and enhance American jobs, economic opportunities, and national security for all Americans by ensuring appropriate support of innovative technologies for using our domestic natural resources more efficiently and responsibly, including environmental protection and restoration technologies. Before taking actions that may jeopardize such innovation, responsible officials should carefully consider the impacts on American citizens.

Sec. 4. Assessing the Domestic and Economic Impacts of Undermining Hydraulic Fracturing and Other Technologies. (a) Within 70 days of the date of this memorandum, the Secretary of Energy, in consultation with the United States Trade Representative, shall submit a report to the President, through the Assistant to the President for Economic Policy (who shall act in coordination with the Assistant to the President for National Security Affairs), assessing:

(i) the economic impacts of prohibiting, or sharply restricting, the use of hydraulic fracturing and other technologies, including the following:

(A) any loss of jobs, wages, benefits, and other economic opportunities by Americans who work in or are indirectly benefited by the energy industry and other industries (including mining for sand and other minerals);

(B) any increases in energy prices (including the prices of gasoline, electricity, heating, and air conditioning) for Americans (including senior citizens and other persons on fixed incomes) and businesses;

(C) any decreases in property values and in the royalties and other revenues that are currently available to private property owners; and

(D) any decreases in tax revenues, impact fees, royalties, and other revenues currently available to the Federal Government, to State and local governments, and to civic institutions (including public schools, trade and vocational schools, community colleges, and other educational and training institutions; hospitals; and medical clinics);

(ii) the trade impacts of prohibiting, or sharply restricting, the use of hydraulic fracturing and other technologies, including impacts on United States exports of liquefied natural gas (LNG) and other energy products, as well as exports of other commodities that may be affected by increases in transportation costs; and

(iii) such other domestic or economic impacts as the Secretary of Energy deems appropriate.

(b) In preparing the report described in subsection (a) of this section, the Secretary of Energy and the United States Trade Representative shall consult with the Secretary of the Treasury, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Transportation, the Administrator of the Environmental Protection Agency, the Chairman of CEA, the Chairman of the Council on Environmental Quality, and such other officials as the Secretary of Energy and the United States Trade Representative deem appropriate.

Sec. 5. *Assessing the National Security Impacts of Undermining Hydraulic Fracturing and Other Technologies.* Within 70 days of the date of this memorandum, the Secretary of Energy shall submit a report to the President, through the Assistant to the President for National Security Affairs (who shall act in coordination with the Assistant to the President for Economic Policy), assessing the national security impacts of prohibiting, or sharply restricting, the use of hydraulic fracturing and other technologies. This report shall include an assessment of potential impacts on Russian and Chinese energy production, consumption, and trade activities, and on the energy security of United States allies, that may be attributable to changes in United States exports of LNG and other energy products. In preparing this report, the Secretary of Energy shall consult with the Secretary of State, the Secretary of Defense, the United States Trade Representative, and such other officials as the Secretary of Energy deems appropriate. This report may be combined, as appropriate, with the report required by section 4 of this memorandum, in which case the combined report shall be submitted to the President through the Assistant to the President for National Security Affairs and the Assistant to the President for Economic Policy.

Sec. 6. *Reinforcing Executive Order 13211.* (a) Executive Order 13211 of May 18, 2001 (Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use) provides that agencies “shall prepare” detailed Statements of Energy Effects when undertaking certain agency actions that are likely to have a significant adverse impact on the supply, distribution, or use of energy. Such Statements “shall describe” “any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increased use of foreign supplies) should the proposal be implemented” and “reasonable alternatives to the action with adverse energy effects and the expected effects of such alternatives on energy supply,

distribution, and use.” In order to enhance compliance with Executive Order 13211, I direct the Director of the Office of Management and Budget (OMB), through the Administrator of the Office of Information and Regulatory Affairs (OIRA), to review the record of compliance with that order by agencies (as defined in that order) and to provide new guidance, as appropriate, concerning the implementation of and compliance with that order.

(b) Within 30 days of the date of this memorandum, the Director of OMB shall, as appropriate, identify for the President, through the Assistant to the President for Economic Policy (who shall act in coordination with the Assistant to the President for National Security Affairs), agencies on which the Administrator of OIRA intends to focus attention to ensure robust compliance with Executive Order 13211.

Sec. 7. Definition. For purposes of this memorandum, the terms “hydraulic fracturing” and “fracking” shall have the meaning assigned to “hydraulic fracturing” in 40 C.F.R. 60.5430.

Sec. 8. General Provisions. (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The Secretary of Energy is hereby authorized and directed to publish this memorandum in the *Federal Register*.



THE WHITE HOUSE,
Washington, October 31, 2020