



Your Excellency President of the Republic of Lithuania,
Your Excellency Speaker of the Seimas of the Republic of Lithuania,
Your Excellency Prime Minister of the Republic of Lithuania,

The recent intentions of the Government of the Republic to establish minimal taxation for unconventional hydrocarbons' exploration and exploitation activities and in fact to abolish the requirement for any associated environmental risk assessment are causing serious concerns.

In 2013, following widespread protests of local communities, the Seimas - Parliament of the Republic of Lithuania made a clear commitment to establish adequate regulatory systems to address risks involved in unconventional hydrocarbon exploration and exploitation activities and to require mandatory environmental impact assessment (EIA) for shale hydrocarbons projects based on hydraulic fracturing techniques. This decision was based on a cornerstone of EU environmental legislation - the precautionary principle, the position of the European Parliament and took into consideration numerous facts when irresponsible ignorance of this principle led to serious harm for environment and public health. Thus it was clearly shown how seriously Seimas considered the potential risks from these activities to the air, water, health and safety of Lithuania's citizens as well as the result of international scientific researches.¹

However, the recent legislative proposal, already allegedly having reached the Seimas, repeals the last year's amendment and again returns to the point which allows hydraulic fracturing even in the territories which are not licensed specifically for unconventional hydrocarbons. Moreover, if the proposal is adopted, local communities will lose their right to be informed on hydraulic fracturing to be performed, while supervisory authorities will have no legal basis to demand the operators the introduction of supplementary control measures. Such legal framework will likely cause contradictions with the EU *acquis* in this field, which lays down minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing, namely the requirement of a prior strategic environmental impact assessment (Article 3), public participation and dissemination of information (Art 1 and Art 15), and operational requirements to be monitored by the competent authority (Art 9), to name only a few examples. Any new proposal will have to follow the guidelines set out on the European level and have to be notified to the European Commission by December 2014 (Art 16).²

Furthermore, if implemented, such action creates the risk of following the path made by the pioneering companies of shale gas and oil explorations, some of which are currently undergoing multi-billion euros worth lawsuits with communities, affected by the emissions of toxic chemicals.

Furthermore, the recent taxation initiative has not been assessed for its compliance with the fair and equal competition rules, as reduction of taxation for one certain activity may be treated by national and European authorities as distorting fair competition.

¹ See for example, "Compendium of Scientific, Medical, And Media Findings Demonstrating Risks and Harms of Fracking (Unconventional Gas and Oil Extraction)" available at <http://concernedhealthny.org/>.

² See 2014/70/EU: Commission Recommendation of 22 January 2014 on minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing *OJ L 39, 08.02.2014, p. 72–78*

Therefore, taking into consideration the possible environmental threats, risks of water and air contamination, heavily affecting local communities, as well as possible legal consequences for the extracting companies and for the state allowing its operation without adequate regulation, we, the undersigned Members of the European Parliament, call you:

- to stop the allegedly on-going procedure on the tax and regulatory simplifications for unconventional hydrocarbons' exploration and exploitation activities;
- to consult the citizens of the areas foreseen for unconventional hydrocarbons' exploration and exploitation activities and duly take into consideration their concerns;
- to take into consideration that unconventional hydrocarbons' exploration and exploitation activities usually heavily contaminate groundwater and environment;
- to apply and rigorously enforce the European environment regulations, including the precautionary principle, as well as ratified international conventions, thus contributing to safe and secure environment both in Lithuania and all over the European Union;
- to encourage the effective progress towards more wider use of renewable energy and development of its local sources, thus not only assuring safe and clean energy but also providing impetus for creation of local employment, simultaneously following the conclusions of international research,³ as well as the findings of the European Commission,⁴ showing that investment into green economy returns significant dividends.

Yours sincerely,

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³ See, for example, Better growth better climate. The new climate economy report The global report,

<http://newclimateeconomy.report/>

⁴ See Environmental economics. Green jobs and social impacts. European Commission.

<http://ec.europa.eu/environment/enveco/jobs/>