Congress of the United States

Washington, DC 20515

April 19, 2018

The Honorable Ryan Zinke
Secretary
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Mr. Secretary:

We write in strong opposition to the Bureau of Land Management's (BLM) recent proposal to revise the 2016 Methane Waste Prevention rule. The proposed revisions sacrifice public health, will increase climate changing emissions, and deny American taxpayers royalties from natural resources they own for negligible or uncertain private gains. Experience with state level regulations and BLM's own analysis demonstrate that BLM's concerns about the negative impact of the 2016 Methane Waste Prevention rule are misplaced.

The 2016 rule revised BLM regulations that had not been updated in over three decades. Due to developments in horizontal drilling and hydraulic fracturing, among other factors, oil and gas development on public lands has increased, leading to increased risks to clean air and water, human health, wildlife, and local communities. The outdated regulations failed to account for the intervening 35 years' worth of technological advancement to reduce the waste and the environmental impact of venting and flaring methane gas.

Every year an estimated $2 billion dollars' worth of natural gas is wasted by the oil and gas industry nationwide, with $330 million of that being drawn from public or Tribal lands. Weakening the rule or returning to the status quo ante would be a giveaway to the oil and gas extraction industry at the expense of the American taxpayer. BLM's own analysis of the proposed rescission estimates that an additional 1.8 million tons of methane, 2.67 million tons of other volatile organic compounds and 20,030 tons of hazardous air pollutants would be released over 10 years.[1] These compounds, once released, will react with nitrogen oxides in the atmosphere and form ozone and smog. The negative impact on public health and the environment of these increased emissions would be enormous.

The Government Accountability Office (GAO) has repeatedly highlighted the opportunities that capturing natural gas that would otherwise be vented or flared represents.[2] In 2016 BLM, found that complying with the 2016 rule, with its numerous health and fiscal benefits to taxpayers, would only reduce average company profits by 0.15 percent.[3] Accounting for the increased

[1] Waste Prevention, Production Subject to Royalties and Resource Conservation; Rescission or Revision of Certain Requirements, 83 Fed. Reg. 7924 (February 22, 2018)

[2] GAO-16-607 Interior Could Do More to Account for and Manage Natural Gas Emissions; GAO-11-34 Opportunities Exist to Capture Vented and Flared Natural Gas, Which Would Increase Royalty Payments and Reduce Greenhouse Gases; GAO-04-809 Opportunities to Improve Data and Reduce Emissions

[3] Bureau of Land Management. (2016). Revisions to 43 CFR 3100 (Onshore Oil and Gas Leasing) and 43 CFR 3600 (Onshore Oil and Gas Operations), Additions of 43 CFR 3178 (Royalty-Free Use of Lease Production) and 43 CFR 3179 (Waste Prevention and Resource Conservation). Regulatory Impact Analysis.

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revenue from selling the captured natural gas actually generates a net economic benefit of $46 million annually for the oil and gas industry. BLM's own analysis of the newly proposed rule estimates that repealing these waste prevention measures would lead to more waste, less production and less revenue to taxpayers -- roughly $30 million of royalties would be lost over ten years, along with 299 billion cubic feet of natural gas.[4] The DOI's rationale for returning to the previous rule clearly conflicts with experience from similar regulations at the state level. In particular, the methane capture rules enacted by Colorado in 2014 have not led to an industry exodus from Colorado, job losses, or the shutting-in of marginal wells, despite these state rules being more stringent than the 2016 Methane Waste Prevention rule. What's more, methane waste reduction rules, like Colorado's, help create jobs in the methane mitigation industry. A recent study indicates that over 130 companies, with customers in almost every state across the country, are helping to manufacture the technology and provide the services needed to cut methane emissions. And these companies have already experienced up to 30 percent business growth in states with methane regulations.[5]

A federal court has already found that the evidence BLM relied upon did not even support a one year delay in implementing the 2016 BLM Rule, which BLM attempted to enact on December 8, 2017, through the Suspension Rule. On February 22, 2018 the U.S. District Court for the Northern District of California found that "the BLM's reasoning behind the Suspension Rule is untethered to evidence contradicting the reasons for implementing the Waste Prevention Rule." The court also found that the plaintiffs had demonstrated that the proposed delay of the rule would cause "irreparable injury" due to the increased air pollution and health impacts, and negative impact on the global climate. The court's strong language underscores the poor reasoning behind the proposed rule, as it contains many of the same analytical weaknesses as the Suspension Rule. These weaknesses are more than sufficient reason to not finalize the proposed rule.

Due to the tremendous public interest in this issue, we request that the public comment period for this rule be extended to 90 days for submissions to both the BLM and the Office of Management and Budget. BLM should also hold public hearings, particularly in the Western U.S., where the bulk of drilling activity on federal lands occurs, to allow more opportunities for public engagement. When the 2016 methane waste rule was proposed, BLM held several public meetings across the Western U.S. and ultimately extended the comment period by several weeks at the request of industry to allow more time for review and comment. We request the same consideration here in order to ensure the voice of the American public is heard. Equally important is meaningful consultation with impacted tribes, and during the comment period BLM should hold individual meetings with each tribe that requests one. We also request that BLM release a climate analysis for this rule accounting for the climate impact and larger social cost of increased methane emissions under the proposed rule.

Sincerely,

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[4]Waste Prevention, 83 Fed. Reg. 7924 (February 22, 2018)

[5] Datu Research, Find and Fix: Job Creation in the Emerging Methane Leak Detection and Repair Industry (2017)



Diana DeGette
Member of Congress



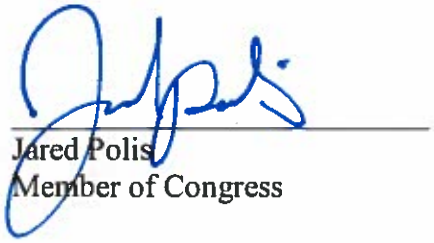
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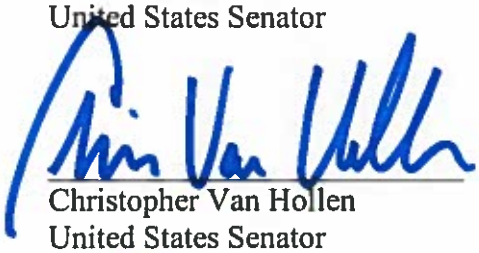
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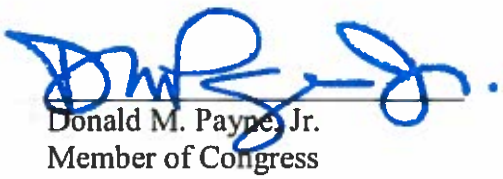
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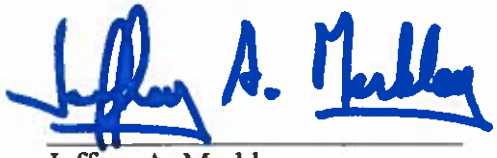
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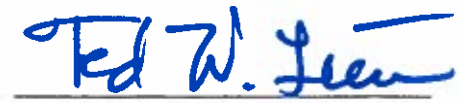
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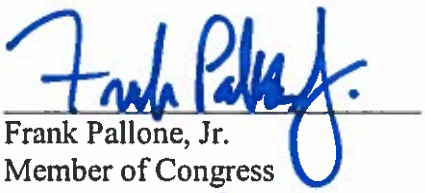
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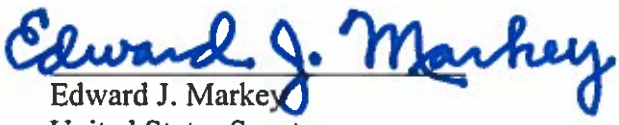
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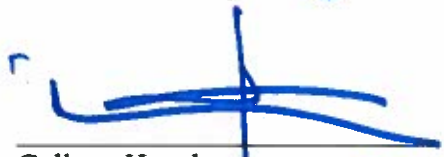
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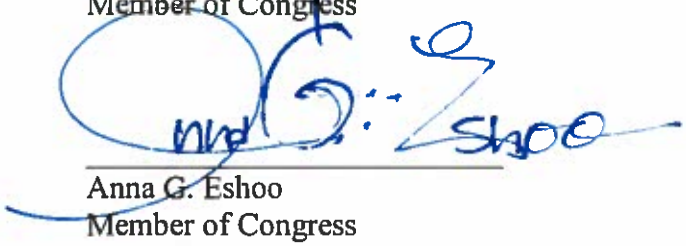
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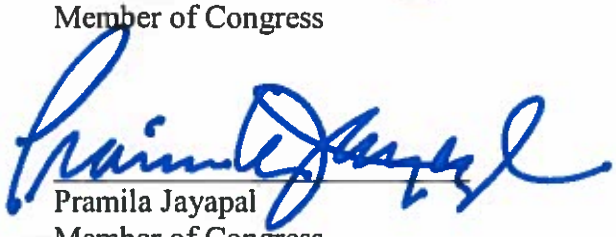
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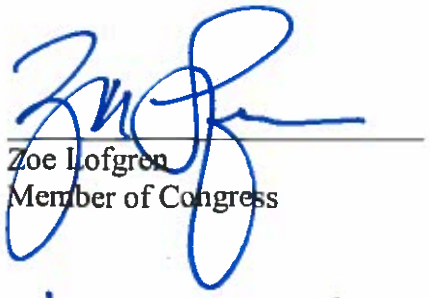
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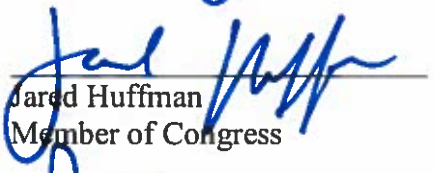
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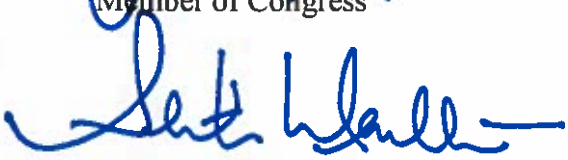
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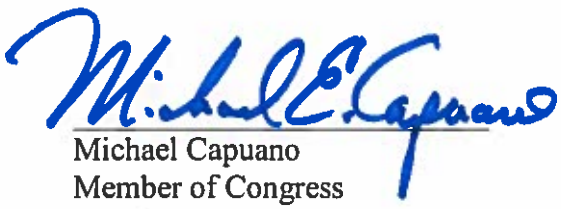
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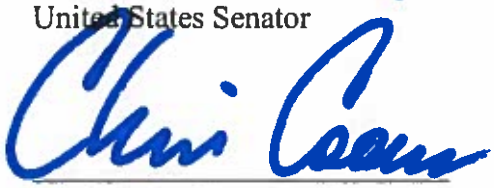
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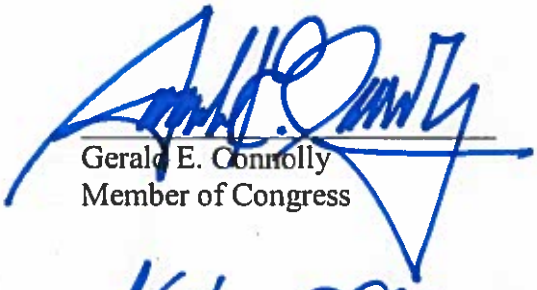
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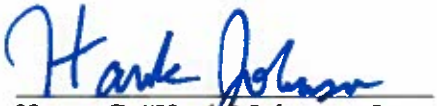
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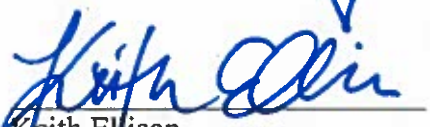
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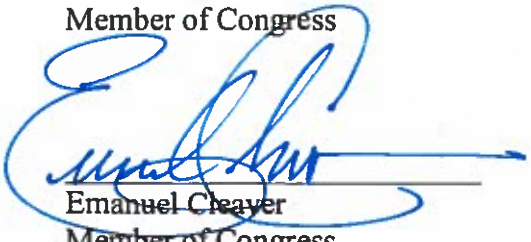
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