

How Big Oil Lobbies Got Permission for Fracking on Public Lands Included in the US Defense Authorization Act

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The <u>U.S. Senate has voted 89-11 to approve the Defense Authorization Act of 2015</u>, following the December 4 <u>U.S.House of Representatives' 300-119 up-vote</u> and now awaits President Barack Obama's signature.

The <u>1,616-page</u> piece of <u>pork barrel legislation</u> contains a provision — among <u>other controversial measures</u> — to streamline permitting for <u>hydraulic fracturing</u> ("<u>fracking</u>") on U.S. public lands overseen by the Bureau of Land Management (BLM), a unit of the U.S. Department of Interior.

Buried on page 1,156 of the bill as Section 3021 and subtitled "Bureau of Land Management Permit Processing," the bill's passage has won praise from both the <u>American Petroleum Institute (API)</u> and the <u>Independent Petroleum Association of America (IPAA)</u> and comes on the heels of countries from around the world coming to a <u>preliminary deal at the United Nations climate summit in Lima, Peru, to cap greenhouse gas emissions.</u>

"We applaud the Senate...and are hopeful the president signs this measure in a timely fashion," said Dan Naatz, <u>IPAA lobbyist</u> and <u>former congressional staffer</u>, in a <u>press release</u>.

Alluding to the <u>bottoming out of the global price of oil</u>, Naatz further stated, "In these uncertain times of price volatility, it's encouraging for America's job creators to have regulatory certainty through a streamlined permitting process."

Streamlined permitting means faster turn-around times for the industry's application process to drill on public lands, bringing with it all of the <u>air</u>, <u>groundwater</u> and <u>climate</u> <u>change issues</u> that encompass the shale production process.

At the bottom of the same press release, <u>IPAA boasted of its ability</u> to get the legislative proposal introduced initially by U.S. Sen. Tom Udall (D-NM) as <u>the BLMPermit Processing Improvement Act of 2014</u> after holding an "educational meeting" with Udall's staffers. Endorsed by <u>some major U.S. environmental groups</u>, Udall <u>took more than \$191,000 from the oil and gas industry</u> during his successful 2014 re-election campaign.

IPAA's publicly admitted influence-peddling efforts are but the tip of the iceberg for how Big Oil managed to stuff expedited permitting for fracking on U.S. public lands into the National Defense Authorization Act of 2015.

IPAA, API Lobbying Blitz

According to Open Secrets, IPAA, API, ExxonMobil, America's Natural Gas Alliance (ANGA), ConocoPhillips and private equity firm KKR — employer of former head of the CIA David Petraeus — all deployed lobbyists to ensure passage of the BLMPermit Processing Improvement Act, now Section 3021 in the NDAA of 2015.

In <u>quarter two</u> and <u>three</u>, KKR deployed <u>Akin Gump's Ryan Thompson</u>, chief-of-staff for climate change denier <u>U.S. Sen. James Inhofe</u> (R-OK) <u>between 2002-2010</u>, to lobby for the bill. A self-described "<u>mini oil and gas company</u>," the New York Cityheadquartered <u>KKR owns numerous oil and gas assets</u> in North Dakota's <u>Bakken Shale</u> basin.

<u>Warren Buffett</u>'s <u>Berkshire Hathaway Energy</u>, formerly known as <u>MidAmerican Energy Holdings Company</u> and owned by his holding company <u>Berkshire Hathaway</u>, also lobbied for the bill. Burlington Northern Santa Fe (BNSF), owned by Berkshire Hathaway, is a <u>major carrier of Bakken crude-by-rail</u>.

Pilot Project Lifts Off

One of the original Senate-side co-sponsors of the BLM Permit Processing Improvement Act was <u>U.S. Sen. John Hoeven (R-ND)</u>, who has also also served as a ringleader of other efforts to expedite permitting for fracking on public lands. First elected to the Senate in 2010, before which he was the Governor of North Dakota, the <u>oil and gas industry has given Hoeven close to \$325,000</u> in contributions since his preliminary Senate run.

In 2013, a bill he sponsored — the <u>BLM Streamlining Act</u> — <u>passed by Congress with only one dissenting vote</u> between both chambers combined. It was <u>signed into law by President Obama on the day after Christmas</u>.

That Streamlining Act <u>created a pilot project for expedited permitting of fracking on public lands</u> in the Bakken Shale. <u>It was lobbied for by ExxonMobil, KKR, Marathon Oil, Chesapeake Energy</u> and IPAA, among others.

By comparison, the BLM Permit Processing Improvement Act of 2014 and now its equivalent Section 3021 in the National Defense Authorization Act of 2015, expedites permitting of fracking on *all* public lands.



Image Credit: <u>U.S. Government Printing Office</u>

Hoeven had previously attempted to pass a bill to streamline fracking permitting on BLM public lands and "recognize the primacy of States," calling it the <u>Empower States</u> <u>Act of 2013</u>. That bill was <u>lobbied for by both ExxonMobil and API</u>.

White House Help

The Obama White House has also long shown interest in the expedited permitting approach for fracking, portending a likely looming sign-off on the bill.

Beyond signing the BLM Streamlining Act into law on December 26, 2013, President Obama

also authorized Executive Orders in <u>March 2012</u> and <u>May 2013</u>calling on streamlined permitting of *all* energy infrastructure projects.

During her time as Obama White House top energy and climate aide, <u>Heather Zichal — now on the Board of Directors for fracked gas exporting company Cheniere</u> — oversaw the signing of an <u>April 2012 Executive Order mandating creation of an interagency working group to streamline regulatory oversight for fracking in the U.S.</u>

Zichal also <u>laid the groundwork for lack of transparency</u> on injection of fracking chemicals into the ground on U.S. public lands, bringing the <u>American Legislative Exchange Council</u> (<u>ALEC</u>) approach for chemical transparency to the BLM. Before <u>inserting the provision into the BLM draft rules</u> currently being finalized, Zichal "<u>huddled</u>" with the industry numerous times.

"Zichal met more than 20 times in 2012 with industry groups and company executives lobbying on the proposed rule," <u>reported EnergyWire</u>. "Among them were the American Petroleum Institute (API) and the Independent Petroleum Association of America (IPAA), along with BP America Inc., Devon Energy Corp. and Exxon Mobil Corp."

Protect Our Public Lands Act

Despite obvious extreme odds stacked against them, two members of the <u>U.S.House</u> <u>Progressive Caucus</u> — with the <u>support of Food and Water Watch and several other</u> <u>progressive groups</u> — have introduced a bill to ban fracking on U.S.public lands.

Sponsored by U.S. Rep. Mark Pocan (D-WI) and U.S. Rep. Jan Schakowsky (D-IL), the two-page <u>Protect Our Public Lands Act</u> "prohibit[s] the lessee from conducting any activity under the lease for the purpose of hydraulic fracturing."

"We owe it to our children and grandchildren, and their children and grandchildren, to ensure the protection of public lands," said Schakowsky of her support for the legislation. "This bill — in banning fracking on those lands — helps us follow through on that important promise."

But only one thing can really receive a promise in this case: public interest groups are in a David vs. Goliath fight. And Goliath, clearly, is well-organized and well-mobilized on the issue as 2014 comes to a close.

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