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BLM Fracing Rule Imposes \$1.615 Billion Cost to Society ^[1]

Redundant rule usurps state authority while threatening jobs and economic growth

(DENVER)- Today, Western Energy Alliance released a full economic analysis of the Bureau of Land Management's (BLM) proposed rule to regulate hydraulic fracturing on public lands from John Dunham & Associates, a respected economics firm. BLM's proposed rule will impose a cost to society of at least \$1.499 billion and as high as \$1.615 billion annually. The rule will divert productive resources away from energy development, job creation, and economic growth into federal compliance redundant with state regulation, further disadvantaging western public lands states.

"States have been successfully regulating fracing for generations, including on federal lands, with no incident of contamination that would necessitate redundant federal regulation," said Kathleen Sgamma VP of Government and Public Affairs for Western Energy Alliance. "BLM's proposed fracing rule would impose a huge cost on society by diverting \$1.615 billion annually away from investment in job creation into redundant regulation."

"The Interior Department is willing to rush forward with regulations that lack a scientific basis and a thorough economic analysis as required for major rules that exceed the \$100 million cost threshold," continued Sgamma. "Western Energy Alliance calls on the federal government to abandon plans to move forward with this rule."

Quick Facts:

- Operators developing on federal lands must obtain state permits and comply with all state regulations.
- States have the expertise to properly regulate hydraulic fracturing, and have done so for over 60 years.
- There have been no incidents of ground water contamination from fracing on federal lands that would necessitate the rule.
- Any new federal regulation prior to the release of Environmental Protection Agency's (EPA) ongoing scientific study examining fracing is premature.
- BLM failed to conduct a full economic assessment required for rules with over \$100 million in annual cost, and therefore the rule violates the Paperwork Reduction Act, the Small Business Regulatory Enforcement Fairness Act, the Unfunded Mandates Reform Act, the Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and Executive Order 12866 Regulatory Planning and Review.
- Several western governors, Tribes, Members of Congress and the Interstate Oil & Gas Compact Commission have publicly opposed BLM regulating hydraulic fracturing on public lands (view a partial list here.)

[Click here to read the economic analysis prepared by John Dunham & Associates quantifying the \\$1.499 - \\$1.615 billion cost.](#) ^[2]

[Click here to read Western Energy Alliance's letter to the White House Office of Management and Budget \(OMB\).](#) ^[3]

[Click here to read Western Energy Alliance's letter to Secretary Ken Salazar requesting a suspension of the rule.](#) ^[4]

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About Western Energy Alliance

Western Energy Alliance, founded in 1974 as the Independent Petroleum Association of Mountain States, is a non-profit trade association representing 400 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. More information on Western Energy Alliance and its members is available at www.westernenergyalliance.org ^[5].

Press Date:

Tuesday, June 12, 2012

Source URL: <https://www.westernenergyalliance.org/press-room/blm-fracing-rule-imposes-1615-billion-cost-society>

Links:

[1] <https://www.westernenergyalliance.org/press-room/blm-fracing-rule-imposes-1615-billion-cost-society>

[2] <http://westernenergyalliance.org/wp-content/uploads/2009/05/John-Dunham-Associates-Economic-Analysis-of-BLM-Fracing-Regulations-FINAL.pdf>

[3] <http://westernenergyalliance.org/wp-content/uploads/2009/05/Western-Energy-Alliance-Economic-Impact-Comments-BLM-Fracing-Rule.pdf>

[4] <http://westernenergyalliance.org/wp-content/uploads/2012/06/Information-Collection-Requirement-Comments-BLM-Fracing-Rule-1004-AE26.pdf>

[5] <http://westernenergyalliance.org>