

Key Legislative Issues Affecting The Oil and Natural Gas Industry

Reasonable Regulation



Federal environmental laws address the management of risks from the actions of American society. Risk cannot be eliminated, but it can be controlled and reduced.

Most federal environmental laws are predicated on the existence of state programs that become the primary regulator. This essential structure – based on the reality that states have effective regulatory programs – reflects the reality that the federal government cannot manage day-to-day regulation. Many of these state programs – particularly in the oil and natural gas exploration and production arena – predated the federal laws.

Many federal environmental laws contain separate requirements for oil and natural gas exploration and production. These distinctions reflect the reality that oil and natural gas operations differ from other industries. Some anti-development groups are attacking these provisions in federal law.

Three of these are particularly targeted. Hydraulic fracturing is essential to develop many oil and natural gas formations, particularly shale. After a half-century of well-regulated success, hydraulic fracturing is being attacked – without justification – as a ground water threat. Similarly, the Congressional decision to rely on state regulation of drilling fluids and produced waters instead of using the Resource Conservation and Recovery Act (RCRA) is being characterized as an unjustified “loophole”. Likewise, radicals – seeking to shift decisions from managing risks to frightening people about chemicals – want to subject oil and natural gas producers to burdensome new reporting requirements.

Reasonable environmental and safety requirements are essential well ordered development. State regulatory programs have proven their effectiveness to meet this responsibility. Unnecessary, duplicative, ineffective, wasteful or poorly implemented regulations impede essential oil and natural gas development; they must be opposed.