



Taxpayers Lose If Senate Uses Blunt Axe of the CRA to Repeal BLM Methane Waste Rule

May 8, 2017

Dear Senator,

The Senate may consider a resolution of disapproval in the next week under the Congressional Review Act (CRA) for the Bureau of Land Management (BLM) Methane Waste Rule. **The BLM is the only agency that has authority to charge royalties on lost methane gas.** If the rule is thrown out under the CRA, taxpayers stand to lose millions of dollars in royalties from natural gas wasted during drilling on federal lands in coming years. Instead we urge you to work with the Trump Administration to address any shortcomings of the rule.

If the Senate votes to repeal the rule under the CRA, the Department of the Interior will not be able to update the decades-old rules that have been completely ineffective at getting taxpayers the royalties we are due. Because the CRA prevents any subsequent rule “similar in substance,” a congressional repeal will mean the continuation of increasing losses of natural gas from federal lands. **In 2014 alone, \$444 million worth of natural gas was vented or flared from federal and tribal lands.**

This leaked, vented, or flared gas represents a significant loss of royalty revenue from development of a taxpayer-owned resource. The royalty value of the gas currently being vented or flared is roughly \$50 million a year, an amount that will likely increase as production continues to grow and natural gas prices increase from their historic lows.

Reverting back to the original methane waste rules is fiscally irresponsible. The rule from 1979, known as the Notice to Federal Lessees (NTL-4a), is outdated, vague, and has allowed for gross inconsistencies in royalty collection. A Taxpayers for Common Sense analysis of government data reported by the oil and gas industry found that **the industry did not pay royalties on more than 90 percent of all gas lost in the past decade.**

The problem of increasing losses of natural gas on federal lands needs to be addressed, and **only the BLM has the authority to manage these natural resources and charge royalties on them on behalf of taxpayers.** If the Senate votes to repeal the methane waste rule, it will make this problem worse and cost taxpayers millions of dollars in lost revenue. Again, we urge you to oppose using the CRA on the Methane Waste Rule and instead encourage you to work with the Trump Administration to review the rule.

Sincerely,

Ryan Alexander
President