

**Before the  
Environmental Protection Agency  
Washington, D.C. 20004**

August 9, 2017

In the Matter of )  
 )  
Oil and Natural Gas Sector; )  
Emission Standards for New, )  
Reconstructed, and Modified Sources: )  
Stay of Certain Requirements )      Docket: EPA-HQ-OAR-2010-0505-7736  
 )

**Comments of FreedomWorks Foundation**

FreedomWorks Foundation is a 501(c)(3) nonprofit and educational foundation dedicated to building, educating, and mobilizing the largest network of activists advocating the principles of smaller government, lower taxes, free markets, personal liberty, and rule of law. In doing so, FreedomWorks Foundation acts as a “service center” for the millions of citizen-leaders who make a difference in the fight for lower taxes, less government, and more freedom.

FreedomWorks Foundation appreciates the opportunity to provide comments to the Environmental Protection Agency (EPA) regarding the stay and review of methane emission standards for new, reconstructed, and modified sources (NSPS) in the oil and natural gas sectors.

One of the core projects of FreedomWorks Foundation is the Regulatory Action Center. The Regulatory Action Center is dedicated to educating Americans about the impact of government regulation on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between millions of FreedomWorks citizen activists and the rule-making process of government bureaus to which they are entitled to contribute.

In line with this core project, FreedomWorks Foundation believes NSPS regulations to be wholly unnecessary given the successful reductions in the now-regulated methane emissions from the energy sector. For these reasons, FreedomWorks Foundation endorses EPA's proposed stay and review of NSPS rules and calls on Administrator Pruitt to launch an investigation into the promulgation process of these regulations, as they demonstrate a lack of commitment to efficacious service to the American people by regulators at EPA.

### **Oil and Gas Production Relative to Methane Emissions**

Over the last decade, the United States has undergone nothing short of an energy renaissance. According to the latest available data from the Energy Information Agency (EIA), domestic crude oil and natural gas production in the 10 years prior to the implementation of EPA's NSPS rules increased by 79 percent and 51 percent, respectively.<sup>1</sup>

Yet, according to EPA, over the same period methane emissions from the energy sector actually declined, dropping by roughly 3 percent! In fact, this drop continues a long-term downward trend in energy sector methane emissions, down 24 percent since 1990.

Methane emissions are not only gradually falling in real terms, but collapsing relative to units of produced oil and natural gas. Further, EPA contended that the 2016 NSPS rules were the "First-Ever Standards to Cut Methane Emissions from the Oil and Gas Sector."<sup>2</sup>

The voluntary emissions reductions by the regulated industries have been effective and call into serious question the alleged necessity of the 2016 NSPS regulations. The NSPS are exceptionally significant regulations. Per an Ernst & Young Analysis of the 2016 NSPS:

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<sup>1</sup> EIA Monthly Energy Review July 2017– Primary Energy Production by Source (Quadrillion Btu). Accessed August 9, 2017 at [https://www.eia.gov/totalenergy/data/monthly/pdf/sec1\\_5.pdf](https://www.eia.gov/totalenergy/data/monthly/pdf/sec1_5.pdf)

<sup>2</sup> EPA Press Release, May 12, 2016. <https://www.epa.gov/newsreleases/epa-releases-first-ever-standards-cut-methane-emissions-oil-and-gas-sector>

“The EPA has estimated that owners/operators will spend US \$320 million through 2020 and US \$530 million through 2025 on engineering compliance capital costs, which includes revenues from added natural gas product recovery.”<sup>3</sup>

EPA should be cautious in implementing yet another burdensome regulation on the oil and gas industry following successive years of record-setting levels of regulation. Environmental regulation already imposes roughly \$400 billion in annual compliance costs, with **15** economically significant (annual compliance costs of \$100 million+) EPA regulations in the Unified Agenda pipeline at the end of 2016.<sup>4</sup>

The domestic oil and gas industry has successfully reduced American dependence—and indeed global dependence—on other foreign sources of oil and natural gas and thus those unregulated by EPA and voluntary environmental commitments by domestic producers. Americans have simultaneously enjoyed the economic benefits of increased employment in the oil and gas sectors as well as lower prices for home and transportation energy, and a rebirth of various energy-dependent industries such as heavy manufacturing.

## **Conclusion**

For these reasons, FreedomWorks Foundation strongly encourages EPA’s proposed two-year stay of the NSPS rules for review. FreedomWorks Foundation further contends that these

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<sup>3</sup> “EPA’s Methane Rule for the oil and gas industry,” Ernst & Young, 2016. [http://www.ey.com/Publication/vwLUAssets/epas-methane-rule-for-the-oil-and-gas-industry/\\$FILE/ey-epas-methane-rule-for-the-oil-and-gas-industry.pdf](http://www.ey.com/Publication/vwLUAssets/epas-methane-rule-for-the-oil-and-gas-industry/$FILE/ey-epas-methane-rule-for-the-oil-and-gas-industry.pdf)

<sup>4</sup> Clyde Wayne Crews, “Ten Thousand Commandments 2017,” Competitive Enterprise Institute. <https://cei.org/sites/default/files/Ten%20Thousand%20Commandments%202017.pdf>

regulations should ultimately be repealed upon review, given the impressive track record of voluntary emissions reductions paired with significant oil and gas production increases.

Finally, as part of the Trump administration's broader effort to reform and streamline the federal government, we encourage Administrator Pruitt to investigate the promulgation process of the NSPS rules. Such aggressive regulations following a long period of sustained voluntary success in emissions reductions calls into question the judgement and necessity of some agency staff. The American taxpayer and consumer can ill-afford for agencies' staffs to be regulating their positions as employees of the federal government into relevance by imposing burdens on already-successful environmental improvements.

Respectfully submitted,

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