

ENERGY POLICY:

Numbers aside, Romney states' rights plan scores with his base

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TAMPA, Fla. -- Mitt Romney promotes his plan to let states manage energy production on federal lands -- call it fracking federalism -- with powerful statistics: Drilling permits take an average of 307 days to win approval from Washington, while the wait is only 14 days in the booming shale gas capital of Ohio.

But the chart Romney's campaign cites to make that point shows the federal government nearly halving its average time to process a drilling bid during the Obama administration, pinning the long wait on the industry's speed in completing an application. Some in the oil and gas world say that relying on the numbers, despite Romney's reputation as a data man, misses the point of his proposal.

"These statistics, I think, are meaningless because they do not track things in any kind of consistent manner across field offices," Western Energy Alliance vice president for government affairs Kathleen Sgamma said of the U.S. Bureau of Land Management (BLM) in an interview.

Sgamma's urging to look past the BLM data, however, does not temper her support for the GOP presidential nominee's proposal "to afford the states maximum flexibility" as they control oil, gas, coal and renewables development on federal land within their borders. Melding traditional states' rights Republicanism with a dash of "drill, baby, drill" scored with the party faithful this week.

"One size doesn't fit all," West Virginian Brian Long, who joined many of his fellow delegates in donning coal miner-style hard hats on the convention floor, said in an interview. "[States] know how best to police the activity."

Though renewable energy rarely gets a starring role in Romney's rhetoric, he added it to a list of sources touted last night in a nationally televised promise that "North America will be energy independent" by 2020.

A goal he mentions even less on the trail, environmental protection, was invoked by one of his top energy aides in remarks this week. In booming oil and gas states such as Texas and Oklahoma, "people are able to co-exist happily and healthfully around this development," Romney adviser Rebecca Rosen told delegates.

Rosen -- who worked for Sen. Lisa Murkowski of Alaska, top Republican on the Energy and Natural Resources Committee, before joining the nominee's team -- explained at an energy briefing that the plan to loosen federal control is aimed at encouraging states "to partner with industry rather than become an adversary."

The Romney plan she helped craft would promote the creation of an interstate council that can align with the Interstate Oil and Gas Compact Commission (IOGCC) and the State Review of Oil and Natural Gas Environmental Regulations (STRONGER), both of which carry a dual mission of overseeing and promoting fossil fuel production.

IOGCC, whose officials have openly chastised U.S. EPA for its regulatory practices at meetings, this month refused a request from EnergyWire to release the listing it keeps of chemicals used in hydraulic fracturing.

STRONGER, the recipient of federal grants as well as what its website calls "no strings attached funding" from the American Petroleum Institute (API), last completed one of its voluntary reviews of state drilling rules in 2007 (Greenwire, Dec. 14, 2011).

Such a light hand from states involved in oil and gas production on their lands strikes the right balance for Republicans such as Alaska state party chairman Randy Ruedrich, who led the Last Frontier's delegation to this week's convention.

"It needs to be the private sector, not the states" in the driver's seat, Ruedrich said during an interview on the floor of the Tampa Bay Times Forum. "[States] have the role to allow things to happen. To enable, not to direct."

Obama campaign responds

The Obama campaign did not wait until Romney took the stage last night, delivering a well- but not thunderously-received 39-minute speech, to blast his energy plan.

Without "the efficiency standards he opposes" and "incentives for homegrown alternative energy development," the incumbent's aides shot back, "this goal [of energy independence] is impossible."

Romney's team has said he would allow the production tax credit for wind and solar power to expire on schedule at the end of this year and criticized the ramp-up in fuel efficiency standards that the White House finalized during this week's convention.

In addition to handing states oversight of energy development on federal lands, Romney would form an alliance with Canada and Mexico aimed at speeding infrastructure development on the continent -- led by the Keystone XL pipeline.

The GOP nominee's plan also calls for broad limits on regulatory reviews under EPA rules and the National Environmental Policy Act, pointing to data from Sgamma's industry group that links the 42-year-old NEPA law to "delays for over 40,000 proposed wells on federal lands."

Reining in NEPA review of federally funded projects also features prominently in the Republican party platform approved here this week (Greenwire, Aug. 29).

Work for Congress

Republicans here said that Romney's federalist approach would require some legislative meat on its bones before Congress can execute it. A starting point appears to exist already, however, in a March bill offered by Murkowski and her Senate Environment and Public Works counterpart, James Inhofe of Oklahoma.

That measure would give states full authority over hydraulic fracturing for oil and gas on federal lands (EnergyWire, March 29).

Asked about the risk of the plan spawning a patchwork of state-level regulatory regimes, senior Republicans and industry representatives dismissed the prospect.

"There may be some baseline rules we set nationally," Sen. John Hoeven (R-N.D.) said in an interview from the convention, such as allowing EPA to take the lead "if you, as a state, choose not to be the primary regulator."

Hoeven included similar language in his bill superceding EPA rules for coal ash, he noted.

Even if oil and gas companies did face slightly unpredictable state-level rules, API President Jack Gerard said this week, they would say: "OK ... they have raised the bar a little higher, but I know what the give and take equation here is."

Federal regulators have looked at the issue for more than two years "and they're [still] talking about this," Gerard said at an event here hosted by Bloomberg Government. "That has a significant chilling effect on those that are investing dollars."

But beyond dollars and BLM data points, the Romney energy plan holds a powerful political allure for many in his party frustrated by the White House's praise for rising U.S. oil and gas production when the trend came from development on state- and private-owned lands, not federal ones.

"If he'll take credit for 40-plus months of unemployment," Rep. Jeb Hensarling (R-Texas) said in an interview this week, "if he'll take credit for helping to codify into law 'too big to fail', then I'll listen to his argument that he had something to do with [the boom in U.S.] energy."