

In a boon for oil and gas industry, Trump seeks to roll back rules on royalty payments

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The Trump administration seeks to reverse oversight rules that hold the oil and gas industry to greater accountability for royalty payments for extraction on public lands.

Associated Press file

Decision will likely boost profits for mineral extractors working on public lands

By [Jacob Wallace](#) Herald Staff Writer

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New rules released by the Trump administration last week seek to strip away royalty payment requirements on coal, oil and natural gas leases on public lands in a move widely seen as a boost for the extractive energy industry.

The move comes as part of a wave of rollbacks that the administration says will promote the energy industry during a historically bad year, but that opponents say does little more than reduce the amount of money paid to the federal government for the sake of profits.

“The Trump administration’s Department of Interior and the Trump administration are giving the beleaguered industry free reign to despoil our public lands at almost no cost,” Anna Peterson, executive director of The Mountain Pact, said in a statement. “Relief should be focused on helping our small towns and cities navigate this unprecedented public health crisis – not the failing oil and gas industry.”

The proposed changes are the latest attempt by the administration to maximize profits for extractive industries working on federal lands. Trump has made statements in recent weeks insisting that he brought oil and gas back even as the industry has faced a challenging year as a result of falling demand and an international energy dispute.

The new rules, which are under a 60-day comment period, will reopen a loophole giving greater flexibility on where companies measure their production for oil and gas rigs. With the rollback, companies can measure their output from multiple wells after they've already been "commingled." This makes it easier to underreport how much is being produced, which has a direct impact on the amount of royalties companies are obligated to pay to the federal government, said Nada Culver, a public lands expert and senior policy counsel for the National Audubon Society.

"These look like small issues, but they add up because ultimately, you're basically discounting the amount that you pay royalties on," Culver said.

The Trump administration's proposal rolls back changes first made in 2016 after a decade of reports from the Government Accountability Office and independent observers alike noting the federal government was being underpaid by extractors.

The Trump administration has previously tried to roll back royalty rules but has been stopped in court. In 2019, a federal court stopped a similar attempt by the Trump administration to repeal an Obama-era law that closed a loophole for coal companies dodging royalty payments.

At a virtual roundtable hosted by the American Petroleum Institute on Wednesday, Secretary of Energy Dan Brouillete said the administration had been "acting quickly" to give the industry a boost.

"The U.S. oil and gas industry, much like the rest of our economy, has faced a difficult time these past few months," Brouillete said. "We will continue to work with our industry partners in supporting measures to streamline energy infrastructure projects and efficiently get U.S. energy to market."

Throughout his administration, Trump has pursued what he calls an "energy domination" agenda, pushing for increased production and reduced regulation as the United States becomes a larger oil and gas producer on the global stage. But Culver said reducing regulations frequently comes at the expense of protecting and stewarding public lands.

"I think energy independence is certainly a laudable goal, but what this administration has referred to as energy dominance ... is an excuse to turn more land over to the oil and gas industry," Culver said. "So no, I don't think ripping off the American taxpayer is needed as some sort of necessary step for energy independence."

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