

GOVERNMENTAL AFFAIRS

October 22, 2018

WEEKLY HIGHLIGHTS AT-A-GLANCE

FEDERAL – Legislative

• **Congressional Recess.** The U.S. Senate and U.S. House of Representatives recessed two weeks earlier than scheduled to focus on the midterm elections. The Congress will reconvene the week following the November 6 elections. <u>Read more</u>.

FEDERAL – Regulatory

- BLM National Petroleum Reserve Drilling Alaska. (Update to 5/14/18 Weekly Report) The Bureau of Land Management (BLM) has finally approved the long-awaited National Petroleum Reserve-Alaska (NPR-A) Greater Mooses Tooth 2 (GMT2) drilling plan. On October 15, the BLM issued a Joint Record of Decision with the U.S. Army Corps of Engineers for the GMT2 project for continued production of oil and gas from federal lands in the 22.8-million acre NPR-A. <u>Read more</u>.
- BLM Resource Advisory Council Colorado. On October 12, the BLM Colorado office announced that it is reopening its public call for nominations for open positions on the 15-member Rocky Mountain District Resource Advisory Council (RAC), including the Royal Gorge, San Luis Valley, and Gunnison field offices. RACs provide advice and recommendations for the BLM to consider on a range of resource and land management issues, including energy development on federal lands. Nominations are open through October 31, and an individual may self-nominate. <u>Read more</u>.
- New BLM State Director Colorado. The BLM will appoint Jamie Connell a veteran land manager with a long history in Colorado – as the new state director for Colorado. "Connell moves from her current position as head of the Oregon-Washington office to the top agency post in Colorado, where she spent a decade working for both the BLM and Forest Service in Silverthorne, Montrose and Glenwood Springs." Connell, who is set to arrive in Colorado "in the coming weeks," according to Brian Steed, the agency's deputy director of policy and programs, will oversee management of 8.3 million acres of federal land in the state. <u>Read more</u>.
- BLM Lease Sale Parcel Nominations Montana; South Dakota. On October 11, the BLM announced that it has opened a 15-day public scoping period for nominated oil and gas lease parcels located in Montana and South Dakota for the March 2019 oil and gas lease sale. Parcels nominated for inclusion in the March sale are located in Blaine, Toole, Custer, Carter, Fallon, Dawson, Richland, Wibaux, Big Horn, and Powder

River counties in Montana. In South Dakota, parcels nominated for inclusion in the March sale are located in Harding and Fall River counties. The scoping period runs through October 25, 2018, and is intended to solicit public input on nominated lease parcels, including the preliminary recommendations and stipulations. <u>Read more</u>.

- EPA Oil & Gas Emissions Limits. On October 15, the U.S. Environmental Protection Agency (EPA) published a proposed rule, Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Reconsideration (83 Fed. Reg. 52056), to amend Obama-era rulemaking released in 2016 (Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources; Final Rule; 81 Fed. Reg. 35824) which imposed stringent emissions limits and reporting for oil and natural gas operations. The new proposed rule would decrease required monitoring, among other provisions. The revision is being lauded by the oil and gas industry. "EPA's technical corrections to federal regulations are essential to ensure that the respective rules reflect current technologies and operations that are continuing to reduce methane emissions while ensuring alignment to the statutory authority of the agency," said Howard Feldman, Regulatory and Scientific Affairs Senior Director at the American Petroleum Institute. <u>Read more</u>.
- Federal Regulatory Agenda. On October 17, the Trump Administration released its <u>Fall 2018 Regulatory Agenda</u> and proposals for 2019. Specifically to our industry, the U.S. Department of the Interior will continue its regulatory and deregulatory priorities to focus on "promoting America energy and critical mineral development." For Fiscal Year 2019, the agency will consider further revisions to its onshore rules and "will continue to pursue a regulatory agenda that seeks to eliminate or minimize regulatory burdens that unnecessarily encumber energy and mineral development, and that promotes efficient, effective and timely processing of energy and mineral permits and other authorizations on Interior-administered lands and waters." <u>Read more</u>.

FEDERAL – Judicial

Climate Change Lawsuit – U.S. Supreme Court. On October 18, Trump administration lawyers filed a notice with the U.S. District Court for the District of Oregon notifying the court that the government has filed a Petition for a Writ of Mandamus to the U.S. Supreme Court asking that the high court halt a case brought by a group of children and teenagers claiming that the federal government needs to do more to confront climate change. Regarding the case, *Juliana et al. v. United States of America* (Case No. 6:15-cv-01517), the Supreme Court previously rejected a similar plea in July from the Trump administration to stop the case (Order No. 18A65). Still, the Supreme Court called the breadth of the claims "striking" and said "the justiciability of those claims presents substantial grounds for difference of opinion." The government is now arguing that the parties are trying to get the judicial branch to direct climate policy, which isn't within that branch's purview. In the petition, the government lawyers claim that the plaintiffs'

"alleged injuries stem for the cumulative effects of CO2 emissions from every source in the world over decades; whatever additions to the global atmosphere that could somehow be attributed to the government over the time it takes to resolve the pending petition are plainly de minimis." <u>Read more</u>.

BLM Leasing – Colorado Federal Court. On October 17, the U.S. District Court of the District of Colorado agreed with environmental activists that the BLM failed to adequately consider greenhouse gas impacts from oil and gas drilling in its new resource management plan for the Colorado River Valley Field Office. In the case, *Wilderness Workshop v. U.S. Bureau of Land Management* (Case No. 1:16-cv-01822), Judge Lewis T. Babcock also found that the agency "failed to consider reasonable alternatives to oil and gas leasing and development" as part of its review of alternatives in the plan, which could open up more than 600,000 acres to oil and gas leasing. In its Opinion, the court has ordered the parties to reach an agreement as to remedies. If an agreement is not reached, the parties may submit briefs to the court on or before December 3, 2018 if a voluntary agreement cannot be reached. <u>Read more</u>.

STATE – Legislative

• Notary Public Amendments – Washington, DC. (Update to 9/24/18 Weekly Report) On October 15, Washington, DC Mayor Muriel Bowser (D) signed Bill <u>B22-0324</u> into law. The bill, which was initially introduced by Chairman Phil Mendelson (D) at the request of Mayor Bowser (D), is known as the "Notary Public Electronic Establishment and Enhancement Amendment Act of 2017." The bill amends current law in that it does not require the notary's sole place of residence or business be in the District. Among other provisions, it requires that upon death, resignation, or revocation, notaries must return the official notarial seal to the District, along with other official documents and establishes an electronic notary system. The measure also departs from the Revised Uniform Law on Notarial Acts "in its requirement that notaries public obtain from the Mayor a separate endorsement on their notary commissions to perform electronic notarial acts." The Act will take effect following a 30-day Congressional review from date of mayoral signing, and publication in the District of Columbia Register, a date which has not yet been reported by the DC City Council. <u>Read more</u>.

State-by-State Legislative Session Overview

Michigan, New Jersey and Pennsylvania are in regular session. Ohio is in skeleton session. The United States Congress, District of Columbia and Puerto Rico are in regular session.

Illinois, Massachusetts, New York, Rhode Island and Wisconsin are in recess to the call of the chair.

West Virginia's second special session to discuss the Supreme Court Justices' impeachment proceedings has been an ongoing battle since June. On October 1, according to the *Jurist*, the Senate voted to allow Supreme Court of Appeals Justice Beth Walker to remain on the bench. The Senate reconvened on October 15, where they were scheduled to hear the impeachment trial of Supreme Court Chief Justice Margaret Workman. However, the acting Supreme Court Justices ruled the impeachment process as unconstitutional due to the separation of powers, reports <u>WTRF</u>. This placed a temporary hold on the impeachment process while next steps are discussed. The Senate is scheduled to reconvene on October 29.

North Carolina's legislature met on October 2 for a special session to discuss hurricane Florence recovery and held an additional one-day session on October 15, where they voted on a \$1.5 billion recovery plan, reports <u>WWAYTV</u>.

Virginia's House Speaker Rep. Kirk Cox, R-Colonial Heights, has pulled the plug on reconvening a special session on October 21, reports *<u>The Progress Index</u>*. This move clears the way for federal courts to oversee the remapping of 11 House districts that were declared unconstitutional due to gerrymandering.

Wisconsin Republican Gov. Scott Walker issued a statement on October 2 calling for an extraordinary session to begin on November 12 to allow the Senate to take up <u>AB 963</u>. The Assembly passed a tax incentive package aimed at keeping two paper mill facilities of Kimberly-Clark from closing their doors in central Wisconsin, reports <u>*The Journal Times*</u>.

Alaska Independent Gov. Bill Walker has 20 days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. Illinois Republican Gov. Bruce Rauner has 60 days from presentment to act on all legislation passed during the veto session or it becomes law. Maine Republican Gov. Paul LePage has three days after the next meeting of the legislature to act on special session legislation or it becomes law without signature. Minnesota Democratic Gov. Mark Dayton has 14 days from presentment to act on legislation presented on or after May 17 or it is pocket vetoed. Mississippi Republican Gov. Phil Bryant has 15 days from presentment to act on special session legislation or it becomes law. Missouri Republican Gov. Mike Parson has 45 days from presentment to act on legislation or it becomes law without signature. New York Democratic Gov. Andrew Cuomo has 10 days from presentment, Sundays excepted, to sign or veto legislation or it becomes law without signature. North Carolina Democratic Gov. Roy Cooper has 10 days from presentment to act on special session legislation or it becomes law without signature. Rhode Island Democratic Gov. Gina Raimondo has six days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. West Virginia Republican Gov. Jim Justice has 15 days from adjournment of the special session, Sundays excepted, to act on legislation or it becomes law without signature.

The following states are currently holding 2019 interim committee hearings: <u>Alabama</u>, <u>Alaska</u>, <u>Arizona</u>, <u>Arkansas</u>, <u>California Assembly</u> and <u>Senate</u>, <u>Colorado</u>, <u>Connecticut</u>, Florida <u>House</u>, <u>Hawaii</u>, <u>Idaho</u>, Illinois <u>Senate</u>, <u>Indiana</u>, <u>Iowa</u>, <u>Kansas</u>, <u>Kentucky</u>, <u>Maine</u>, <u>Maryland</u>, <u>Minnesota</u>, <u>Mississippi Senate</u>, <u>Missouri House</u> and <u>Senate</u>, <u>Montana</u>, <u>Nevada</u>, New Hampshire <u>House</u> and <u>Senate</u>, <u>New Mexico</u>, New York <u>Assembly</u> and <u>Senate</u>, <u>North Carolina</u>, <u>North Dakota</u>, Oklahoma <u>House</u>, <u>Oregon</u>, <u>Rhode Island</u>, <u>South Carolina</u>, <u>South Dakota</u>, <u>Tennessee</u>, Texas <u>House</u> and <u>Senate</u>, <u>Utah</u>, <u>Vermont</u>, <u>Virginia</u>, <u>Washington</u>, <u>West Virginia</u>, <u>Wisconsin</u>, and <u>Wyoming</u>.

The following states are currently posting 2019 bill drafts, prefiles and interim studies: Florida Senate, Iowa, Kentucky, Montana, Nevada, New Hampshire, North Dakota, Oklahoma House and Senate, Utah and Virginia.

General Oil and Gas

General

Pennsylvania <u>HB 2154</u> passed the Senate Appropriations Committee on October 17. The bill is now pending on the Senate floor. This omnibus bill would roll back existing environmental standards for conventional oil and gas operators allowing operators to spill up to 210 gallons of oil or 630 gallons of production brine at a well site, rather than the current five-gallon requirement, without needing to notify the department. The bill also contains language that would preempt local regulation of oil and gas activity. The bill would also narrow the state Department of Environmental Protection's oversight of wastewater disposal wells to just surface features and provide that conventional drilling permits would be good for three years instead of one. The bill would also create a process by which a person who voluntarily plugs an orphan well could apply for a \$5,000 payment or receive a credit to offset future well permit fees. Both Democratic Gov. Tom Wolf and the state Department of Environmental Conservation are opposed to the bill. The bill would take effect immediately.

Hydraulic Fracturing

General

New Jersey <u>SB 678</u> passed the Senate Environment and Energy Committee on October 15 and is now pending a second reading on the Senate floor. The bill would prohibit the treatment, discharge, disposal, application to a roadway, or other release into the environment, or storage of any wastewater, wastewater solids, sludge, drill cuttings or other byproducts from hydraulic fracturing in any state. The bill would take effect the first day of the third month following enactment.

Public Lands

Pennsylvania <u>HB 2489</u> passed the Senate on October 17 and is now pending in the House Rules Committee for concurrence with Senate amendments. The bill would authorize the release of Project 70 restrictions on lands owned by the Borough of Topton in exchange for the imposition of Project 70 on other lands owned by the borough. The bill would take effect immediately.

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