White House announces pro-corporate fracking rules

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The Obama administration announced new regulations Friday regarding the use of hydraulic fracturing, also known simply as “fracking,” to extract oil and natural gas from federal lands. In recent years, the use of fracking has grown at a rapid rate in various parts of the country. There is currently no up-to-date oversight of fracking at the federal level, and regulation of the industry at the state level has been weak to nonexistent.

If the practice of fracking continues to expand as it has, the U.S. will soon become the world’s largest producer of oil and gas. However, a growing body of evidence demonstrates that this method has very serious negative consequences for human health and the environment, due to the toxic chemicals employed and the huge amount of contaminated waste water which requires disposal.

The oil and gas industry has fought hard to suppress this evidence and to prevent any government intervention that would impinge on its ability to maximize profits, whatever the consequences. For example, in 2005 the oil lobby obtained the so-called Halliburton loophole, which prevents the federal Environmental Protection Agency (EPA) from regulating most fracking activity under the Safe Drinking Water Act. In another act of pro-corporate intimidation, a federal court in Pennsylvania recently ruled against a doctor who had sued to overturn the state’s gag order preventing physicians from sharing information about illnesses possibly caused by groundwater pollution emanating from fracking wells.

The move to create federal regulations by the Obama administration is entirely cosmetic, representing little or no improvement over existing, ineffective state regulations. Indeed, it represents a green light for the expansion of fracking on federal lands, where 100,000 wells have already been drilled, with approximately 3,400 new ones added each year. The proposed rules contain no restrictions regarding the placement of wells near historically or environmentally sensitive sites. Furthermore, they have not been reviewed under the National Environmental Policy Act (NEPA) for their possible impacts on the environment.

The rules, drafted by the Interior Department, which has jurisdiction over federal lands, were arrived at after a four-year process of consultation with the industry. Environmental groups have already denounced them as toothless and containing major concessions to the energy companies. Furthermore, the rules have no effect on private and state-owned land, where fracking is taking place on a massive scale. Only approximately 11 percent of fracking currently takes place on federal land.

Provisions of the regulations include examination of concrete barriers around wells, disclosure of the chemicals employed, but only after the process has been completed (i.e., after the damage has already been done), rules regarding the storage of hazardous chemicals at the well sites, and a review of the geology of the area being fracked. Variations on the rules are permitted to accommodate state regulations, which may be weaker.

Information regarding the chemicals employed in drilling will be recorded on an existing web site controlled by the industry. This site has previously been criticized for a lack of transparency. In addition, loop holes are included that would permit companies to withhold information on fracking chemicals as “trade secrets.”

Industry groups immediately announced their opposition to even these minimal regulations, complaining that they would raise their costs. The

Interior Department estimates that the increase will add less than one quarter of one percent to the cost of production. A proposal has already been put forward by 27 Senate Republicans that would restrict jurisdiction over fracking to the states, thus eliminating Obama's proposed regulations.

In addition to the tremendous wealth and political influence of the energy industry, there are powerful geostrategic interests driving the expansion of fracking, despite the current over-supply of oil on the world market and the consequent plummeting of prices.

It is widely reported that Saudi Arabia, currently the world's largest producer of oil, has deliberately refused to decrease its production in the face of falling prices, as it has done in the past, in an attempt to drive higher-cost producers out of business, including those in the United States. Fracking is more expensive than conventional methods of extraction. Saudi Arabia, has among the lowest production costs in the world, allowing it to sustain a prolonged reduction in prices, even to ones below the current depressed levels.

Production of natural gas in the U.S. is also under pressure. It currently exceeds the ability of the existing infrastructure to bring it to market. Consequently, there is a determined push to construct major pipelines, including Constitution and Northeast Energy Direct (NED), to take fracked gas from the production areas in Pennsylvania to the northeastern states. In addition, a number of proposals have been made to develop facilities that would permit the export of liquefied natural gas, thus opening the world market to U.S. producers.

The drive to expand fracking in the U.S. is, in part, motivated by the ruling class's goal of attaining "energy independence." Elimination of reliance on foreign producers would give U.S. imperialism greater freedom of action in its quest for global domination.