

"End the Circus": Big Oil Group Plots to Exclude US Public from Public Lands Bidding at IOGCC Meeting

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At the <u>Interstate Oil and Gas Compact Commission (IOGCC)</u>'s 2016 meeting in Denver, Colorado this week, a representative from a prominent oil and gas lobbying group advocated that auctions of federal lands should happen online "eBay"-style — a clear attempt to shut the public out of the bidding process for fossil fuel leases on public lands.

Speaking on public lands issues in front of <u>IOGCC's public lands committee</u>, Kathleen Sgamma — Western Energy Alliance's (WEA) vice president of governmental affairs — compared environmental groups' <u>Keep It In The Ground campaign</u> actions atU.S. Bureau of Land Management (BLM) bids to a "circus." Sgamma said WEA was in contact with both BLM and Congressional members to push the auctions out of the public sphere and onto the internet.



DeSmog, which attended the IOGCC meeting, recorded the presentation and has <u>published</u> <u>it online</u>.

Sgamma opened her statement on the Keep It In The Ground "circus" by pointing to the fact that BLM has already compared the activism, in <u>testimony delivered to Congress</u> (beginning at 54:30) on March 23, 2016, with the right-wing militia that occupied the Malheur National Wildlife Refuge's public lands plot in Oregon.

Sgamma also revealed that WEA has a counter campaign that it will launch soon to oppose Keep It In The Ground.

Here is a partial transcript of Sgamma's statement (beginning at about 19:55 in the audio):

So Western Energy Alliance is planning some counter-efforts with Keep It In The Ground which we'll be announcing probably later this month. We've also been working with BLM and Congress to say 'Let's just get rid of this circus, let's just have online auctions. eBay is out there, it can be done.' So BLM has also expressed concern for its employees as well. In fact, BLM Director [Neil] Kornze, in a hearing a couple months ago, was asked about all of these protests and even equated these protests with the militia who shut down and occupied the Malheur Wildlife Reserve in Oregon. So BLM is likewise concerned about the safety of its employees and it put in place security measures at last week's auction. But, what we're saying and what a lot of people are saying is, 'Let's just get rid of the circus. Let's do online auctions.' So hopefully BLM is compelled even more after Thursday to move in that direction.

The "Thursday" Sgamma referred to was an <u>action</u> that took place near Denver at a May 12 BLM auction occurring under the fold of "<u>Break Free</u>," a rolling wave of anti-fossil fuel actions conducted worldwide between May 3 and May 15, 2016. It was after that meeting that Sgamma <u>began calling</u> the Keep It In The Ground campaign a "circus," referring to it as such in a quote given to The Denver Post, and calling for its "end" by implementing online auctions.

WEA's over 400 oil and gas industry members include many of the same companies that funded IOGCC's meeting: XTOEnergy (an ExxonMobil subsidiary), ConocoPhillips, Devon Energy, Noble Energy, Marathon Oil, Anadarko and others. It was at a WEA meeting in 2014 that Rick Berman stated in a speech that the oil and gas industry is waging an "endless war" against environmental advocates, and that it has to "play dirty to win."

<u>IOGCC's members</u> include appointees of governors of the U.S. oil and gas producing states, which generally means heads of state oil and gas regulatory agencies as <u>official state representatives</u>, and at-large members that include oil and gas industry lobbyists and executives. Of the 180 people who attended the IOGCC meeting, <u>63 were oil and gas industry employees</u>.

Keep It In The Ground is a campaign whose basis is that fossil fuels on public lands must be left in the ground due to the science-based climate change costs inherent in not doing so. IOGCC, which claims concern about "protecting health, safety and the environment" in its mission statement, has gone on the record to say it has no stance on climate change.

Concerted Push

It appears the WEA push for online lease sales began in February, when it wrote and published a letter to BLM to make its pitch.

"Might we suggest as an alternative that BLM take advantage of online auctions," wrote Sgamma in the <u>February 11 letter</u>. "If protesters continue to disrupt lease sales, we strongly suggest BLM simply hold online auctions within the same quarter as the original sales. Online auctions also have added cost-savings benefits as venues and security personnel do not have to be enlisted to handle potentially unruly crowds."

BLM has stated on the record that, responding to the WEA push, it is now considering online auctions moving forward.

"There's been research done that shows the overall participation and bid amounts are enhanced through the internet process," Kent Hoffman, deputy state director of BLM's Utah office, told Deseret News on May 6. "We've been desiring to move into the electronic world for years...It is more efficient for us and probably for industry, too, to participate in an online auction."

BLM's Washington, DC headquarters <u>will have the final say</u> over whether online auctions are the future of bidding for oil, gas and coal leases on U.S. public lands.

Congress Hatch-ing Online Auctions

Meanwhile, Congress has started moving on the WEA-proposed online auctions of public lands, led by U.S. Sen. Orrin Hatch (R-UT). Hatch inserted an <u>amendment</u> into the proposed

congressional comprehensive energy bill <u>calling for the BLM to study</u> the possibility of online bids "so that the mere threat of protest does not derail oil and gas lease auctions that are critical to Utah's economy."

The amendment, <u>Section 3108</u> of the legislation, <u>passed</u> in the Senate as part of the broader bill on April 20 and awaits a House vote.



Image Credit: <u>U.S. Government Printing Office</u>

A quote from Kathleen Sgamma is featured in a <u>Hatch office press release</u> disseminated about the provision's insertion into the bill.

"Western Energy Alliance sincerely appreciates Senator Hatch's amendment that helps to address the uncertainty in oil and natural gas leases sales. Keep-It-in-the-Ground protesters are disrupting lease sales as a way to prevent development of Utah's energy resources, which deprives Utahns of jobs, economic opportunity and tax revenue. The amendment is a common sense way to ensure that a vocal minority cannot block responsible business in Utah and across the West. In addition, it helps BLM fulfill its obligations to conduct quarterly oil and gas sales using well-established technology, saving time and money."

During Sen. Hatch's bid for re-election in 2012, WEA, Devon Energy and other players in the <u>hydraulic fracturing ("fracking")</u> industry <u>hosted a fundraiser luncheon</u> for Hatch with a minimum \$1,000 contribution to attend. Throughout his political career, Hatch has taken \$703,179 in campaign contributions from the oil and gas industry.

WEA: "Transparency" Concerns

Sgamma will, ironically enough, testify in front of the U.S. House Subcommittee on Energy and Mineral Resources at a May 19 <u>hearing</u> titled "Examining Deficiencies in Transparency at the Department of the Interior."

"While the Obama Administration and the Department of the Interior have issued plans and executive orders claiming to improve transparency of the federal regulatory process, there are increasing examples of significant rules being issued that are based on science or data that is not made available to the very people or entities that they would regulate," reads the Hearing Memorandum. "If the ability to comment or otherwise participate in the rulemaking process is restricted, the fundamental fairness of the process is called into question."

Whether she will testify about Section 3108 at the hearing remains to be seen.

"Abuse of Democracy"

Reached for comment about Sgamma's statements, Greenpeace USA executive director Annie Leonard expressed concerns about the potential for online auctions for fossil fuels situated on federal lands. (Greenpeace is part of the Keep It In The Ground coalition and helped-organize-the-"Break Free" events.)

"A key feature of public lands is that they're public," stated Leonard. "Neither the government nor the fossil fuel industry should be able to decide what happens to those lands without a fully participatory process. Any attempt to distance the public from

decisions about our own land is an abuse of democracy."

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