



CACI COLORADO ASSOCIATION
OF COMMERCE & INDUSTRY

*The State
Chamber of Commerce*

Secretary Sally Jewell
U.S. Department of the Interior
Director (630)
Bureau of Land Management
2134 LM, 1849 C St. NW
Washington, DC 20240
Attention: 1004-AE14

RE: Docket ID: BLM-2016-0001-0001

Secretary Jewell:

The Colorado Association of Commerce & Industry (CACI) appreciates the opportunity to provide comments on the proposed Waste Prevention, Production Subject to Royalties, and Resource Conservation rule published by the Bureau of Land Management (BLM) on February 8, 2016.

To say that the oil and gas industry is a vital part of our local, state and national economy -- and key to our national energy security is not just a statement, it is fact. However, new burdens on this heavily regulated industry, particularly in light of low oil and natural gas prices, could have significant and quite negative unintended consequences on our local economies, small businesses, school districts, state budgets, community investment, and more.

As the state Chamber of Commerce and as the National Association of Manufacturers (NAM) Colorado affiliate, CACI represents several hundred businesses of all sizes, more than 40 local chambers of commerce, as well as economic development groups, trade associations and our state's manufacturing industries. With the support of our member companies, it is important to recognize that this rule will hurt more than just the oil and gas industry. In this state where the oil and gas industry is already the most regulated of any state, this rule will negatively affect our restaurants, hotels, home builders, lenders, the companies who supply mechanics and parts, as well as the farmers and ranchers reliant on royalties to supplement incomes.

The oil and gas industry is integral to the vibrance of our economy. It is integral in the ability of our state to build good schools, maintain and grow highly-paid jobs and keep the cost of living manageable for our communities. However, the BLM's proposed rule will take away the very things keeping our state growing and thriving, by adding high-cost compliance and heavy-handed government regulations, without consideration for unintended consequences on our communities.

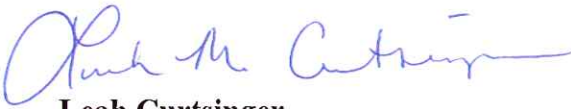
This is why CACI calls on you to withdraw the proposed rule. We are concerned about the literal impact the proposed rule could have on the ability of the oil and natural gas industry to develop resources domestically. Thus, we are joining others across Colorado and the United States in calling for a "carrot" rather than a "sledgehammer" approach:

- **Any rule considered should be cost effective.** This regulation will cost taxpayers and businesses much more in lost revenue and receipts than the expected increases in royalties.

- As it is currently written, **implementation of the proposed rule will lead some operators to shut-in wells prematurely**, decreasing the supply of domestic oil and natural gas, reducing royalty revenues, and driving up costs for consumers.
- **BLM needs to do a better job at addressing the real impediments to capturing more flared gas;** speeding the permitting process for pipeline rights-of-way will allow energy producers to more easily capture and market gas that might otherwise be flared -- due to a lack of infrastructure. This would in turn will provide much more value to taxpayers than the current rule.

Again, CACI urges the BLM to withdraw this rule and work closely with those in the business world who have real-world knowledge and day-to-day operations experience. Working in partnership with the business community to better understand this issue means considering which of the alternative offered solutions will be most effective for all involved.

Thank you for considering the business perspective.



4/14/16

Leah Curtsinger
Federal Policy Director
Colorado Association of Commerce & Industry (CACI)