

Editorials and Commentary – Excerpts (April 15, 2013)

The Washington Post

“Last week brought a heartening breakthrough in the war over fracking: A handful of major green groups and big drillers agreed on environmental standards.

We’d forgive you for raising a skeptical eyebrow. Some in the industry have been claiming that fracking — which involves pumping fluid underground to extract natural gas from rock formations — needs no more rules. Some environmentalists, meanwhile, have been ringing the alarm so loudly that the practice seems too dangerous even to contemplate.

But the right path was never to let drillers continue without more oversight, nor was it to ban fracking. America’s natural gas boom is far too important an opportunity — economic and environmental — to ignore. But sound regulations are needed to ensure that it is not an ecological disaster. These new rules are a large step toward striking the right balance, and everyone involved deserves credit.”

“...The center provides a model for environmental groups, too. They advance their cause much further when they accept that the country is fracking and push for sound regulation, instead of unrealistically insisting that all that natural gas stay in the ground.”

The Philadelphia Inquirer

“Like much in the country today, the debate over Pennsylvania’s shale-gas boom often seems hopelessly polarized - an endless and largely useless standoff between environmentalists who want the gas to stay in the ground and energy executives who think it’s theirs to exploit unhindered.

So only a cynic could fail to be encouraged by a new collaboration that brings environmental and energy interests together. The Center for Sustainable Shale Development debuted last month with the goal of setting standards for environmentally responsible extraction of shale fuels. It stakes out a reasonable middle ground between those who would end drilling forever and those insisting that it continue unimpeded by further regulation.”

“...Unfortunately, some prominent environmental groups and energy companies are not participating in the effort. A Sierra Club official even went so far as to denounce it, declaring that ‘the majority of natural gas must stay in the ground.’ Meanwhile, the industry group Energy in Depth has declared Heinz a ‘notorious funder of all things opposed to natural-gas development.’

The group’s success so far stands as a rebuke to such extremism.”

Forbes

“Did you happen to notice the stories a few weeks ago about the pact between environmentalists and industry on fracking guidelines? (<http://www.csmonitor.com/Environment/Energy-Voices/2013/0321/Energy-firms-environmentalists-agree-on-fracking-standards>) They reported on a new mutually agreed upon set of voluntary standards for “responsible” extraction of oil and gas from the Marcellus Shale formation in the Appalachians.

Via the agreement, each extraction company will have its methodology monitored and assessed relative to these standards, with those companies meeting them receiving something akin to a “seal of approval” by environmentalists. Importantly, the standards are more stringent than what the industry was initially proposing, though they didn’t go as far as some in the environmental community might have liked. The agreement was signed onto by Shell Oil and the Environmental Defense Fund, among others. Unlikely partners indeed.

In terms of governance, this arrangement provides an interesting reminder that there is a diversity of ways that we can solve public policy problems. The economics field has long held that government regulation is not necessary to reach efficient policy solutions in many instances. Led by Nobel laureates like Ronald Coase, economic scholars demonstrated clearly that actions by private agents can lead to efficient outcomes without any intervention by government.

...One big question is whether this will be effective. It is clear that these sorts of more market-oriented arrangements don’t always work. For example, a recent study of credit ratings agencies by Gunter Löffler in the latest Journal of Financial Services Research found that market discipline alone was not consistently adequate to ensure the ratings agencies acted responsibly and minimized their errors.

So, this might be a risk. But it could also serve as a model for finding a responsible balance between energy and environmental concerns.”

Raphael Bostic, Contributor to Forbes, April 4, 2013

Star-Telegram Fort Worth, TX

“Here’s Thursday’s headline from the online version of USA Today: “Companies, environmentalists agree on new fracking rules.”

Similar stories were published in the Star-Telegram and elsewhere.

Groups including the Environmental Defense Fund, the Pennsylvania Environmental Council and one called the Group against Smog and Pollution, along with philanthropic groups such as the Heinz Endowments and the William Penn Foundation, have reached agreement with drilling and pipeline companies on ‘a voluntary set of tough new standards for fracking’ and other natural gas operations, the story says....”

The agreement says drilling and pipeline companies will undergo voluntary reviews against a list of stringent standards aimed at protecting air and water quality. Those that do well in the review will receive a stamp of approval from the new Pittsburgh-based Center for Sustainable Shale Development created jointly by industry and environmental groups.

I’m sorry we didn’t think of that. Maybe our siblings (counterparts in Pennsylvania) have come up with an idea we could use. Maybe they’ve learned from our mistakes.”

The Dallas Morning News

“Given that Dallas is still without sound gas drilling regulations, it was refreshing to learn this week that environmentalists and drillers in another part of the country have constructively joined forces to create a set of best practices.

Industry officials and environmental groups recently announced the creation of the Center for Sustainable Shale Development as part of their partnership to develop safe drilling guidelines. The Pittsburgh-based center represents an unprecedented collaboration of traditional foes — the Environmental Defense Fund and the Clean Air Task Force on the green side and drilling giants Chevron, Shell and others on the energy side.”

“...Dallas could learn from the center’s suggestions, some of which are similar to recommendations that Dallas’ own gas drilling task force made a year ago. However, the City Council, locked in a controversy over a proposal to drill on parkland along the Trinity River, has yet to review those recommendations.

It’s critical that Dallas approve strong regulations that reflect both the strongest task force recommendations and the best practices agreed to by groups such as the Center for Sustainable Shale Development.”

Pittsburgh Post-Gazette

“In Pennsylvania’s battle between gas drillers and environmentalists, it’s good to see someone reaching for higher ground. And it happens to be gas drillers and environmentalists.

With the help of two foundations and strong civic leadership, an unlikely band of energy companies and environmental groups have collaborated to raise operating standards in the Marcellus Shale drilling industry for the benefit of everyone -- workers, businesses and people who care about clean air and water.

The Center for Sustainable Shale Development was introduced on March 20 as an initiative to certify the adoption of higher performance procedures in 15 areas that are protective of air quality, water resources and climate.”



The Times Observer, Warren, PA

“Some of the heaviest hitters in Marcellus Shale development are on board, including Shell Oil, Chevron and Consol Energy, as are some of the most vocal environmental protection organizations, like the Environmental Defense Fund, the Clean Air Task Force and the Pennsylvania Environmental Council.

This is a far cry from the acrimony among the groups that was rampant during the early days of the Marcellus boom, when developers and environmentalists dug in their heels.”

WILLIAMSPORT SUN-GAZETTE

“Maybe a new cooperative agreement between the drillers and policymakers will begin to dent the hardened view of the companies.

Some of the nation's biggest oil and gas companies agreed to a voluntary set of tough new standards for fracking in the Northeast. While the new standards could lead to a major expansion of drilling, they also are stricter than existing state and federal regulations.”

“...We believe most drilling companies are inherently respectful of the environment to begin with.

We will say what we've been saying for years: It is possible for the natural gas boom and a healthy environment to coexist.”

The Times

The right place. The right Times.

Times of Trenton

“While industry has largely been left to regulate itself, environmentalists may be too quick to denounce every aspect of fracking. With vigorous regulation and environmental vigilance, natural gas harvested through fracking could indeed be a stopgap between fossil-fuel dependence sustainable-energy production.

Findings of an EPA study on fracking won't be available until next year.

In the meantime, however, the Center for Sustainable Shale Development (sustainable shale.org) has offered demonstrable measures of accountability. In the same way the LEED certification program has become the gold standard for green buildings, the center aims to create a rigorous environmental designation for companies developing the Marcellus Shale running through Pennsylvania and New York.”

Times ^{SCRANTON} Tribune

“Some of the major gas companies across the Marcellus and Utica shales in Pennsylvania have joined environmental and philanthropic groups in a novel and welcome effort to diminish the environmental impact of drilling and hydrofracking.

The new collaborative Center for Sustainable Shale Development has established 15 performance standards for all phases of drilling, fracking and gas transmission. Companies that comply with the best practices will be able to obtain the centers' independent certification.”

AKRON BEACON JOURNAL
ohio.com *There's something in it for you.*

“Last week came welcome news, frequent adversaries reaching a comprehensive agreement on voluntary standards for drilling in Ohio, Pennsylvania and West Virginia, with the possibility of including New York and other East Coast states that have banned hydraulic fracturing. Some of the nation’s largest oil companies and environmental groups announced the formation of a Pittsburgh-based Center for Sustainable Shale Development to implement the agreement.

The worthy idea is for drilling and pipeline companies to seek the center’s certification by complying with its standards.”

Erie Times News

“After years of rancorous but necessary debate, a consensus is emerging on how fracking can be used to meet our energy needs without compromising our health.

...Meanwhile, in Pennsylvania, representatives from industry and environmental groups have agreed on a plan for voluntary certification for natural gas shale drilling. According to stories by the AP and the Pittsburgh Post-Gazette, Chevron, EQT Corp., Consol Energy, the Environmental Defense Fund, the Clean Air Task Force and the Pennsylvania Environmental Council will participate in a new consortium, the Center for Sustainable Shale Development, based in Pittsburgh.”

THE YORK DISPATCH

“After years battling the drillers over fracking's impact on water and air quality, the environmentalists surprised some this month with their decision to form an alliance with the companies and philanthropic organizations.

The new Pittsburgh-based Center for Sustainable Shale Development, made up of representatives from the three groups, will create a set of standards for fracking in Pennsylvania and other Northeast states.

Though the program is voluntary, drilling and pipeline companies will be encouraged to submit to a review of their operations, according to The Associated Press. If they're found to be abiding by the 15 -- so far -- tough new air and water protection measures, they'll receive the center's seal of approval.”

HERALD-Standard

Uniontown Herald-Standard

“It's been all or nothing debate with little or no middle ground. That's why recent news of an agreement reached by longtime adversaries on this crucial issue came as such a welcome relief. Call us crazy, but we always thought it was possible to have economic development without destroying the environment. We've never believed that it was an either-or situation. We always thought if the two sides sat down and talked, that they might be able to work out their differences. And that's exactly what happened.

Under the deal, some of the nation's biggest energy companies and environmental groups have agreed on a voluntary set of standards for gas and oil fracking in the northeast that appear to go further than existing state and federal pollution regulations.

The program will work a lot like Underwriters Laboratories, which puts its UL seal of approval on electrical appliances that meet its standards. In this case, drilling and pipeline companies will be encouraged to submit to an independent review of their operations, and if they are found to be taking certain steps to protect the air and water, they will receive the blessing of the brand-new Pittsburgh-based Center for Sustainable Shale Development.”

“...But at least the two sides are talking, and they've agreed to continue talking. That in itself is a victory for residents of Fayette, Greene and Washington counties who have so much at stake in this crucial issue. Watching the two sides launch grenades at each other might be exciting, but it doesn't solve the problems involved with the industry. This agreement can do that, ensuring that the industry and the environment can co-exist for the betterment of everyone.”