STATEMENT ON WASTE PREVENTION RULE COURT DECISION

Today, the U.S. District Court for the Northern District of California vacated the Bureau of Land Management’s (BLM’s) postponement of an Obama-era rule preventing methane waste at oil and natural gas facilities on public land, commonly known as the Waste Prevention Rule. This rule had promised substantial benefits to the public and industry because it required companies to conserve more natural gas at the well site, while also limiting harmful emissions of methane, a potent greenhouse gas. Recovering additional natural gas also leads to greater royalty payments for both the federal government and states, where it helps pay for schools and other important services.

Despite these benefits, under the Trump administration BLM postponed the rule without seeking public comment, citing section 705 of the Administrative Procedure Act. The court has now vacated the stay on the ground that BLM did not have statutory authority for the stay and failed to consider the impact on the benefits of the Waste Prevention Rule.

In a further wrinkle, earlier today BLM separately proposed to issue a second stay of the Waste Prevention Rule. This court ruling will likely aid in efforts to oppose that stay.

This case is part of a broader pattern. Over the summer, the U.S. Court of Appeals for the D.C. Circuit vacated a different postponement issued by the Environmental Protection Agency, citing EPA’s lack of statutory authority. And last month, the Northern District of California declared illegal the Interior Department’s effort to postpone an Obama-era rule reforming royalty valuation procedures for coal, oil, and gas mined on public lands, again citing the lack of statutory authority.

Bethany Davis Noll, litigation director at the Institute for Policy Integrity at New York University School of Law, has released the following statement on this ruling:

“The string of illegal stays that have been issued under the Trump administration have created substantial uncertainty for the regulated community and put at risk valuable benefits. Today’s decision exposes the emptiness of the administration’s deregulatory agenda.”

Jayni Hein, policy director at the Institute for Policy Integrity at New York University School of Law, has released the following statement on this ruling:

“This is a significant victory for the rule of law. Agencies cannot wave a magic wand to reverse course without considering the benefits forgone as a result of their actions. Instead, they must follow proper procedures and treat costs and benefits in parity.”
Bethany Davis Noll and Jayni Hein are available for interviews on this ruling and related issues.

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