Meeting With Lawmakers Helps COGA

DENVER–Nearly halfway through the 2014 legislative session, an engagement and education strategy by the Colorado Oil & Gas Association appears to be helping the group to avoid some of the controversy and animus aimed at industry in the past.

"There was a definite learning curve last year for many of the new legislators," says Doug Flanders, COGA director of policy and external affairs. "Many of them arrived in the Capitol then with an image of the oil and gas industry as this single, unregulated entity that had to be confronted. As they got to know us, our names and faces, and the people we represent, I think their outlooks changed."

After the 2013 session–one in which a number of unexpected confrontational bills were introduced–COGA used the off session to find ways to avoid a similar circumstance from taking place this year, says Flanders. A key part of the strategy COGA devised, he says, was to actively engage as many legislators as practical during the interim.

"There were field tours over the summer, plus we met with legislators whenever and wherever they were available," Flanders recalls. "One thing we tried to emphasize was that when they introduced legislation without any conversation with industry, they were saying the more than 100,000 people in the industry, their families, and the communities where they live, didn't matter.

"It is a nonpartisan effort for us," he says. "And it's more than a cliché. We set out to educate and build relationships. Even if they end up voting against us, we want them to know they can and should talk to us, and see us as a reliable and trustworthy source."

The other important part of the COGA strategy for engaging the legislature is active participation in an informal business coalition of agriculture interests, chambers of commerce, business associations, and other industries. "Between the business coalition and Vital for Colorado, we hope to build recognition of the importance of energy to Colorado–not only the direct benefits of oil and gas, but how they affect every major sector of our economy," Flanders says.

Vital for Colorado is an organization formed in August 2013 to promote energy development and fight against energy bans. Its charter states, "It is vital for Colorado's business and economic development community to advocate on behalf of the opportunities associated with energy production."

Fines, Expertise, Health Studies

A session of the Colorado Legislature could not take place without some controversy, Flanders acknowledges. This

year is no exception.

"The deadline for introducing bills is past, but there are always late filings," he remarked in late February. "We also expect several bills will be changed as things move along. So, we are watching for another run at increasing oil and gas fines, among other issues."

Last year, COGA opposed language in a bill (HB 1267) that would have increased fines for violations to $15,000 a day from $1,000, and would have imposed a mandatory minimum fine. "We supported raising the fine to bring the oil and gas rules in line with other regulated activities," Flanders says. "However, we strongly opposed the addition of a mandatory minimum fine since it would have taken away flexibility for the agency and it was unclear how it would apply.

He adds, "We offered to craft a bill that would raise fines without mandatory minimums that would have authorized harsher penalties, including loss of a permit for willful negligence. It now becomes a question of whether the sponsor wants a bill."

COGA also met with the sponsor of a bill in 2013 that would have changed the fee structure for water discharge permits. "This doesn't seem to be a big deal, but it could impact many stakeholders and how water fees are collected and budgeted," Flanders observes.

He says the sponsor decided not to pursue passage and instead seek wider stakeholder involvement over the summer.

Another bill would give counties the mineral rights under land they acquire for roads. "We are watching this closely since it could impact private owners dramatically. But there is a good chance it will be changed significantly," says Flanders.

Although nothing had been filed by Feb. 21, Flanders says he expects a bill to be introduced that calls for a wide-ranging study of the health effects of oil and gas development and production on nearby residents. Adverse health impacts from oil and gas are a common theme in campaigns to restrict or ban development in towns and counties across the state.

A bill to expand by one-third the state's Environmental Response Fund is supported by COGA, says Flanders. "This fund is aimed at orphan wells or wells with significant problems," he says. "While there isn't a current problem, the fund needs more in reserve because of the larger number of wells in the state. The bill does not raise fees; it only moves more existing money into the fund."

Flanders says COGA supports a bill to include property titles in all real estate contracts to clarify ownership of mineral rights in property transactions. "We like to call this the mineral rights recognition act. We have horizontal and vertical neighbors, and both must be identified and recognized in any real property contract," he states. ❐

West Virginia Legislature Adds New Requirements To SB 373