

## FERC TALK for December 2, 2016, Washington, DC

Three years ago, I wrote what I think was the first article in the US press to pinpoint The Federal Energy Regulatory Commission and the harms it causes. FERC oversees the gas, oil and electricity industries. Among other things it decides whether to grant permits to corporations that want to build interstate natural gas pipelines. My 2013 article was about a New York State pipeline called the “Constitution.” This pipeline had been proposed by a corporation, but FERC hadn’t yet permitted it. FERC soon did approve it. Next I wrote about a proposed compressor station in Minisink, NY. It was opposed by the population there, but FERC still approved it. I went on to write about Spectra’s AIM pipeline, which came close to home – literally: I live in New York City. The AIM pipeline, as you know, is to skirt the Indian Point nuclear power plant by as little as 105 feet, posing a danger of explosion, with a strong potential for what nuclear engineer Paul Blanch has called “a Fukushima on the Hudson.” (Over the course of 50 years Blanch worked with the Nuclear Regulatory Commission, the NRC, from its inception and for utility corporations across the United States.) In that article I focused on

both FERC and the NRC. They both knew all the facts about the pipeline's dangers but they still approved it.

All of which begs the question why a regulatory agency that's supposed to attend even-handedly to the interests of the public on the one hand, and fossil fuel corporations on the other, would uniformly approve pipelines and other natural gas infrastructures that are dangerous to human and animal health.

In my Minisink piece I quoted FERC's own statement about why it approves so many corporate requests (over its 30-year history it's denied only one – an application for an LNG pipeline in Oregon.) In December 2012, after approving a pipeline in southern New York State, FERC commissioners

<https://www.ferc.gov/EventCalendar/Files/20121207195820-CP11-515-001.pdf> said:

"Given the significant expense sponsors incur to prepare applications, there is no incentive for a project sponsor to present an application that cannot meet our standards for approval ... the high approval rate for pipeline proposals demonstrates prudence on the part of the industry and consistency on the part of the Commission...." Quick translation: money talks.

FERC is supposed to be self-funded, independent and non-partisan. But it gets its money from fees paid by

the companies it oversees.

[http://www.pennlive.com/news/2016/03/pipeline\\_fig\\_hqs\\_raise\\_big\\_ques.html](http://www.pennlive.com/news/2016/03/pipeline_fig_hqs_raise_big_ques.html)

One of those fees is based on the volume of gas moving through a pipeline. The more gas [flowing] through a pipeline, the more money going to the commission.\*\*\*

After their FERC tenure many commissioners move to positions with fossil-fuel corporations. One of these was recently reported by De Smog Blog reporter Itai Vardi, where an engineering company with a \$1.8 million stake in a Spectra Energy natural gas project hired a former FERC official\*\* who had been managing the environmental review process for the same project.

FERC was established in 1977 but it has a long history dating back to 1920 when its predecessor agency, the Federal Power Commission, was established. FERC's importance was flagged by the 2005 Energy Act, which was drafted under the aegis of then VP Dick Cheney. That 2005 Act gave FERC greatly expanded powers.\*\*\*\*\*

I didn't have time, while I was preparing this talk, for a full investigation of FERC's history – whether, for instance, it was ever more “liberal” than in the age of escalating natural gas production and transport.

But here's one factoid I turned up while I was preparing for this talk: a man named Ron Binz was in line to be appointed FERC's head by Obama, but pressures by the Koch Brothers and the fossil fuel industry forced Binz to step aside. According to a Pro Publica article he had "won over supporters from the green energy world" and he himself said he was faced with a "furious opposition campaign" that painted him as being against fossil fuels.

In all events FERC has been, as I put it when I first wrote about the Commission, "locked at the hip with the fossil-fuel industry." At a time when the sixth great mass extinction on the planet, caused by humans, is well underway, FERC is a rogue agency. Under any just system of governance its commissioners would be charged with high crimes against humanity and life on Earth.

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\*\* Douglas Sipe, who served as Outreach Manager in the Office of Energy Projects at FERC, left the Commission in mid 2014 to work for [Willbros](#), a large oil and gas engineering and construction firm based in Houston. Following a 16-year career at FERC, Sipe was [named](#) Willbros' Vice President of Regulatory & Public Affairs, a newly created position.\*\*\* According to a reporter writing about this fee business last March, some Pennsylvania residents believe it's why the agency has approved dozens of pipeline projects in the state.  
/\*\*\*\*\*You can accuse the US's ruling elite of many things, but one thing you can't accuse it of is stupidity or ignorance. One assumes Cheney knew fracking would be a boom industry.

