France Upholds Ban On Fracking

Lori Hinnant, AP

France's constitutional council upheld a ban on the energy extraction process known as fracking on Friday, two days after the European Parliament voted to require full environmental reports from companies that want to establish hydraulic fracturing sites. The decision comes the same day the International Energy Agency predicted the United States would overtake Russia next year to become the world's largest oil producer outside OPEC, renewing questions about Europe's ability to compete in a shifting energy landscape.

French President Francois Hollande had promised to maintain the ban imposed by his predecessor in 2011, even though France had been named among the most promising European countries for shale gas extraction. The French, who rely largely on nuclear energy, fear the environmental costs of hydraulic fracturing are too steep. Laszlo Varro, head of the International Energy Agency division that monitors hydraulic fracturing, said fears in Europe were overblown but added that it was too early to predict the effects of the European Parliament regulations.

"You can have an environmental assessment framework which is the functional equivalent of killing the industry, or it could be one that ensures protections while letting industry flourish," he said.

Europeans pay among the world's highest energy prices. Americans pay about one-third as much wholesale, and analysts say the low prices — and the U.S. economic recovery — are largely attributable to fracking. In France, the average annual household energy bill is $3,120, compared with $2,024 and falling in the U.S., according the Energy Information Administration.

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