

**Statement for the Record
Bureau of Land Management
Department of the Interior**

**For The
U.S. House of Representatives
Committee on Natural Resources
Subcommittee on Energy and Mineral Resources**

**Oversight Hearing
*“Energy in America: BLM’s Red-Tape Run Around and its
Impact on American Energy Production.”***

February 5, 2014

Introduction

The Department of the Interior contributes substantially to the Administration’s efforts to achieve a more secure energy future by harnessing rapidly advancing technologies and smart policies, and embracing a diverse energy portfolio. As part of this mission and in accordance with the President’s “all of the above” energy strategy, the Bureau of Land Management (BLM) is pursuing science-based, environmentally-sound development of both renewable and conventional energy resources on the Nation’s public lands. The agency’s activities provide energy for our nation and reduce our Nation’s reliance on oil imports, while protecting our public land and water resources.

The BLM provides a critical economic benefit to the Nation with its contribution to America’s energy portfolio. Overall, the Department of the Interior estimates the exploration and production of oil, gas, coal, renewable energy, and other minerals on Federal lands contributed over \$255 billion to the U.S. economy in 2012. The Department collects billions of dollars annually through mineral extraction and other activities, and shares these revenues each year with states, tribes, counties, and other entities. In many states, energy production and other activities are a critical component of the local economy. For example, the BLM estimates that oil, gas, coal, and non-metallic mineral activities on the Federal mineral estate directly and indirectly support nearly two percent of jobs in Colorado, nearly 10 percent of jobs in New Mexico, and over 40 percent of jobs in Wyoming.

In addition, the BLM has a critical role to play in fulfilling the goal within President’s Climate Action Plan to approve 20,000 megawatts of renewable electricity by 2020 by facilitating renewable energy development and transmission projects on public lands. BLM has focused on an accelerated and environmentally responsible permitting process for the development of renewable energy and transmission projects that ensures the protection of signature landscapes, wildlife habitats, and cultural resources on public lands. The BLM is investing in renewable energy, including reviewing and approving environmentally sound wind, solar, geothermal, and transmission projects on the public lands.

The American public, stakeholders, industry, other Federal, state, and local entities are keenly interested in these issues and are more engaged than ever. Through the public process provisions under the National Environmental Policy Act (NEPA) as well as in our BLM planning regulations, these interested entities have the opportunity to participate in a meaningful way in decisions that affect our nation. As part of the planning process and at the project level, public meetings are often held and numerous comments – sometimes even hundreds or thousands or over a million- are received and analyzed as part of a given decision related to energy development on our public lands. These efforts are an important part of the process in making well-informed and sound decisions regarding use of our nation’s public resources.

Planning for Multiple Use & Sustained Yield

The BLM manages approximately 245 million surface acres, 700 million acres of onshore mineral estate, and has responsibilities on 56 million acres of Indian trust lands for mineral operations and cadastral surveys. The BLM oversees roughly 13 percent of the U.S. land surface and 30 percent of its subsurface. Under the Federal Land Policy and Management Act (FLPMA), the BLM works with a broad array of land users, contributes to the vitality of State and local economies, and delivers benefits to all Americans through outdoor recreation, natural and cultural resource conservation, livestock grazing, mineral development and energy production. This breadth of responsibility is representative of the BLM’s mission under FLPMA – a multiple-use and sustained yield mandate to sustain the health, diversity, and productivity of public lands for present and future generations. Through the laws that it passes and the budgets it approves, Congress gives direction for how agencies carry out their respective missions. Because lands managed by the BLM are owned by the American people, they are understandably subject to a variety of laws. These laws are complied with through the agency’s planning processes, which require public involvement and interagency consultation to protect the many uses and resource values found on the public lands. These same requirements may not apply to private or state lands.

Under FLPMA, the BLM develops land use plans, known as Resource Management Plans (RMPs), to guide the BLM’s management decisions and actions on public lands. These RMPs address the full range of activities that occur on public lands, including off-highway vehicle (OHV) use, wildland fire management, wildlife management, mineral development, and livestock grazing. RMPs also direct management of areas on public lands that require special protection, such as areas of critical environmental concern (ACECs), research natural areas (RNAs), and potential additions to the National Wild and Scenic River (WSR) System.

RMPs ensure that public lands are managed in accordance with FLPMA under the principles of multiple use and sustained yield. The public lands must be managed in a manner that protects the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resource, and archaeological values. Decisions in land use plans guide future land management actions and subsequent site-specific implementation decisions. These land use plan decisions establish goals and objectives for resource management desired outcomes and the management actions and allowable uses to achieve these goals and objectives.

Conventional Energy Development on Federal Lands

Federal lands have helped boost domestic energy production in a variety of areas. The planning and regulatory framework of the BLM ensures energy development on the Federal lands proceeds in a safe and responsible manner. After consideration of conventional energy development at the RMP stage, resources such as oil and gas are leased and then Applications for Permit to Drill (APDs) are issued. Oil production from Federal onshore lands is at its highest level in over a decade, with onshore production above 2008 levels by about 35 percent according to the most current available data. The amount of producing federal acreage continues to increase, and grew by nearly 200,000 acres from 2011 to 2012. The total number of producible and service well completions on Federal lands has increased by over 2,400 wells during this same period. In FY 2013, more than \$2 billion in energy revenues were disbursed to 35 states from oil, gas and mineral production on Federal lands. Over \$930 million in revenues was disbursed to American Indian tribes from production on Indian lands – an increase of more than \$200 million over FY 2012 disbursements.

Under the BLM's land use planning process and our reformed oil and gas leasing policy, the agency is ensuring lease stipulation consistency; performing Master Leasing Plan (MLP) analyses; and implementing a more thorough lease parcel review process. The onshore leasing reforms put in place in 2010 resulted in the lowest number of protests since FY 2004 – fewer than 18 percent of parcels offered in 2012 were protested, reducing costs and creating greater certainty for lessees.

In April 2012, the BLM instituted additional reforms to the oil and gas program and is currently enhancing its electronic system to streamline the application process and significantly reduce the time for approval of new projects. Since 2011, the amount of time it took for all BLM field offices to process and approve drilling applications fell by more than 25 percent. Consistent with the President's Executive Order in March 2012 to improve performance of federal permitting, further improvements in processing times are expected as the new electronic system is brought on-line during 2014. The number of inspections completed by all BLM offices has risen nearly 17 percent since 2009. The BLM is headed in the right direction and will continue to work on procedures, processes, and the regulatory framework to identify areas for further reform.

Alaska is an important component of our Nation's energy strategy. The Arctic holds substantial oil and gas potential, but also presents unique environmental and operational challenges. The BLM finalized a new comprehensive plan in February 2013 – the first ever – for the 23-million acre National Petroleum Reserve – Alaska. This balanced plan provides access to over 70 percent of that area's estimated oil potential and provides for an important east-west corridor that could be needed for pipeline infrastructure to eventually carry Chukchi Sea oil to the Trans-Alaska pipeline. At the same time, it will protect the vital subsistence resources of Alaska Natives and the habitat of world-class wildlife populations.

The BLM is making more coal available as well, with the number of producing acres rising four percent from FY 2009 to FY 2012. The amount of coal the agency leased during FY 2012 is the highest since FY 2003. Coal produced from BLM's Federal mineral estate has provided approximately 22 percent of U.S. electrical production annually over the last ten years.

Renewable Energy Development on the Federal Lands

The Department of Interior is making substantial progress on developing renewable energy resources on public lands as well. In 2009, there were no commercial solar energy projects on or under development on public lands. Since 2009, the BLM has approved 48 renewable energy projects, including 25 utility-scale solar facilities, 11 wind farms, and 12 geothermal plants, with associated transmission corridors and infrastructure to connect with established power grids. If fully built, these projects will provide more than 13,000 megawatts of power, or enough electricity to power nearly 4.6 million homes, and support nearly 20,000 construction and operations jobs.

The BLM established a road map for responsible solar development in the West by designating energy zones, and in May 2012 flipped the switch on the first solar energy project to deliver power to the grid. In 2013, the BLM also released the Final Environmental Impact Statement for a proposed 750 megawatt facility in Riverside County that would be one of the largest solar energy projects on public lands in the California desert. Furthermore, the BLM is also moving forward on wind energy, with a proposed complex in Wyoming that would generate up to 3,000 megawatts of power, making it the largest wind farm facility in the U.S. and one of the largest in the world. The BLM has identified additional renewable energy projects for review that includes solar facilities, wind farms and geothermal plants. The BLM will continue to build on these successes and work to make sure we are accomplishing this in the right way and in the right places.

Electric Power Transmission on Federal Lands

The BLM continues its important role in providing transmission corridors for the electric power infrastructure in the western United States. The Nation's electric power transmission grid has not been significantly altered since the 1970s, and substantial upgrades and expansions are needed to improve reliability and increase capacity. In support of the Presidents Memorandum to transform and modernize our Nation's electric transmission grid, the BLM is reviewing the effectiveness and efficiency of the west wide energy corridors and is participating on the Interagency Rapid Response Team for Transmission to improve the overall quality and timeliness of electric transmission infrastructure permitting. The BLM is performing a key role in efforts to strengthen the nation's electric transmission grid, and from 2012 through 2013 approved permits which will enable construction of nearly 1,000 miles of transmission lines in seven states across Federal lands.

Energy Development on Indian Lands

The BLM also is committed to assisting Indian tribes in expanding reliable and secure energy supplies on Indian lands, including safe and responsible oil and gas development and renewable energy development opportunities. Including Indian Country in the Administration's "all-of-the-above" energy strategy is helping increase domestic energy supplies and improving the economic opportunities for many Indian tribes and Alaska Native villages. The Interior Department disburses 100 percent of the revenues received for energy and mineral production activities on Indian lands directly to the Tribes and individual Indian mineral owners. Tribes then distribute the revenues among all members or apply the revenues to health care, infrastructure, education and other critical community development programs, such as senior centers, public safety

projects, and youth initiatives. Many individual Indian mineral owners use these revenues as a major source of income to support their families and communities.

Summary

Facilitating efficient, safe, and responsible development of all public land energy resources is part of the Administration's broad energy strategy to help provide energy for the nation and reduce U.S. dependence on oil imports. Both the development of conventional and renewable energy resources from public lands will continue to play a critical role in meeting our Nation's growing energy needs. Through FLPMA's resource management planning process, the BLM is promoting efficient and responsible energy development on the nation's public lands, balanced with a broad array of other public land resource uses.