

**Statement of
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Before the
House Natural Resources Committee
Subcommittee on Energy and Mineral Resources
United States House of Representatives
On
H.R. 2295, National Energy Security Corridors
May 20, 2015**

Thank you for the opportunity to testify on behalf of the Department of the Interior (Department) on H.R. 2295. This bill requires the Secretary of the Interior to designate National Energy Security Corridors for the construction of natural gas pipelines on Federal lands, and provides for expedited review of natural gas pipeline authorizations. It also authorizes the Secretary to issue natural gas pipeline rights of way on National Park Service (NPS) lands.

The Department shares and supports the Subcommittee's goal to provide for the safe and efficient transmission of energy resources, including natural gas, across Federal lands by efficiently and effectively siting corridors and permitting pipeline projects in a timely manner. However, most of the authorizations of H.R. 2295 are already within the scope of existing Department authorities, and consistent with current priorities and activities. Additionally, the Department strongly opposes the bill's provisions that would authorize the Secretary to issue natural gas pipeline rights of way on NPS lands. The Department would like to continue to work with the Committee to find ways to further our common goal to promote the responsible and efficient development and transmission of our nation's energy resources from Federal lands.

Background

The Department of the Interior administers a wide range of lands and resources that includes wilderness areas, lands held in trust for Native Americans, our National Park System, our National Wildlife Refuge System, and our National System of Public Lands. The Bureau of Land Management (BLM) is responsible for protecting the resources and managing the uses of our nation's public lands, located primarily in 12 western states, including Alaska. The BLM administers more land – over 245 million surface acres – than any other Federal agency. The BLM also manages approximately 700 million acres of onshore Federal mineral estate throughout the nation.

The BLM manages this vast portfolio on behalf of the American people under the dual framework of multiple use and sustained yield. This means the BLM administers public lands for a broad range of uses including renewable and conventional energy development, livestock grazing, timber production, hunting, fishing, recreation, and conservation. We manage lands

with some of the most advanced energy development in the world and some of North America's most wild and sacred landscapes. This unique role often puts the BLM in the middle of some of the most challenging natural resource issues facing our country. The BLM places a special emphasis on transparency and public processes to incorporate the input and needs of the American people and of the communities in which we live and work.

The BLM's activities provide critical infrastructure as well as energy for our nation and reduce our reliance on oil imports, while protecting our public land and water resources. The BLM's contribution to the national energy portfolio provides an important economic benefit. The Department collects billions of dollars annually for the Federal Treasury through mineral lease rents and royalties for 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, in fiscal year 2014, onshore Federal oil and gas royalties exceeded \$3 billion, approximately half of which were paid directly to the states in which the development occurred. In the same period, tribal oil and gas royalties exceeded \$1 billion with all of those revenues paid to the tribes and/or individual Indian owners of the land on which the development occurred.

Secretary Jewell has made it clear that as we expand and diversify our energy portfolio, the development of conventional energy resources from BLM-managed lands will continue to play a critical role in meeting the nation's energy needs and fueling our economy. The BLM is committed to promoting responsible domestic oil and gas production in a manner that will protect consumers, human health, and the environment. Facilitating the safe and efficient development of these resources is one of the BLM's many responsibilities and part of the Administration's broad energy strategy, outlined in the President's *Blueprint for a Secure Energy Future*. Environmentally responsible development of these resources will help protect consumers and reduce our nation's reliance on oil, while also protecting our Federal lands and the environment. As part of this effort, the Department is working with various agencies in support of Executive Order 13604 to improve the performance of Federal permitting and review of infrastructure projects by increasing transparency and predictability of infrastructure permitting and reviews.

Energy Corridors on Federal Lands

The Energy Policy Act of 2005 (EPAct; P.L. 109-58, Section 368 (a)) directed the Secretaries of Agriculture, Commerce, Defense, Energy, and the Interior to designate corridors for oil, gas, and hydrogen pipelines and electricity transmission and distribution facilities on Federal lands in the 11 contiguous western states. Congress also directed the agencies to perform any environmental reviews that may be required to complete the designation of the corridors and incorporate the corridors into land use plans. In 2006, the U.S. Department of Energy, BLM, U.S. Forest Service (USFS), and U.S. Department of Defense initiated a Programmatic Environmental Impact Statement – Designation of Energy Corridors on Federal Land in the 11 Western States. This was completed in 2008. On January 14, 2009, the Department of the Interior approved a record of decision (ROD) to designate approximately 5,000 miles of corridors which included amendments to 92 land use plans in 11 western states. The USFS issued a ROD on January 14,

2009, which amended 38 national forest land management plans and designated approximately 1,000 miles of corridors in 10 states.

EPAct Section 368(b) requires the Secretaries, in consultation with the Federal Energy Regulatory Commission, affected utility industries, and other interested persons, to jointly identify energy corridors on Federal land in states other than the 11 western states identified under Section 368(a) of EPAct. On October 3, 2008, the Department of Energy, as lead agency, issued a Federal Register notice to determine public and stakeholder interest. There were relatively few responses from public, state and local governments, utilities, or other interested stakeholders. This absence of immediate public interest in new corridors on Federal land within these 39 states, combined with the relatively small amount of Federal land in these states (especially compared to the 11 western states), and the often single priority land use management purposes for these Federal lands (e.g., parks, wildlife refuges, and trails), resulted in the agencies' determination not to develop a proposed action to identify and designate Section 368(b) energy transportation corridors on Federal lands in the 39 states at that time.

In addition to the energy corridor authorizations in Section 368 of EPAct, Executive Order 13604 and two Presidential Memoranda (May 17 and June 7, 2013) direct Federal agencies to improve energy corridors and expedite siting of infrastructure projects, including natural gas pipelines. The Department has been making considerable strides in meeting those requirements as captured in the June 2012 interagency plan on implementing Executive Order 13604 and the May 2014 interagency plan regarding the Presidential Memorandum on Modernizing Infrastructure Permitting. Furthermore, the BLM, USFS and the Department of Energy anticipate completion of a corridor study in 2015 that will assess how efficiently and effectively existing corridors are being used. The BLM has a process in place to review those corridors and determine if additional corridors or corridor adjustments are needed.

Pipeline Authorizations

The BLM is working hard to do its part to expand the nation's pipeline infrastructure and increase the capacity to transport energy resources when and where it is needed. As authorized by the Mineral Leasing Act (MLA, Section 28), the BLM issues right-of-way (ROW) grants for oil and natural gas gathering, distribution, and transmission pipelines and related facilities. The BLM may grant MLA ROWs on any public land, or on land administered by two or more Federal agencies, except land in the National Park System or land held in trust for Indian tribes. A designated corridor is a preferred location for the placement of ROWs and the BLM actively encourages use of designated ROW corridors to streamline the authorization process. This minimizes the proliferation of separate ROWs and promotes sharing of ROWs to the greatest extent possible, given considerations of engineering and technological compatibility, national security, and land use planning. Use of existing corridors and sharing of existing ROWs for pipelines protects the quality of natural resources and prevents unnecessary environmental damage to lands and resources. The BLM continues to work to identify ways to improve the overall siting and permitting process, and the President's FY 2016 Budget requests \$5 million to develop an improved and updated assessment process for the development and siting of energy corridors and rights-of-way.

Since designation of the west-wide energy corridors in 2009, the BLM has participated in the approval of nine major pipeline expansion projects totaling nearly 2,000 miles of new oil and gas pipeline with nearly 1,050 of those miles crossing Federal lands. In the next 18 months, the BLM is expected to complete review and disposition of three more major pipeline projects totaling nearly 1,000 additional miles with nearly 450 of those miles across Federal lands. Work on these major oil and gas pipeline projects is in addition to the thousands of miles of smaller distribution pipeline projects that are approved every year to transport oil and gas from the production site to the larger gathering pipelines and the major transport pipeline facilities.

H.R. 2295 “National Energy Security Corridors”

H.R. 2295 amends the MLA to require the Secretary of the Interior to identify and designate National Energy Security Corridors for the construction of natural gas pipelines on Federal land. The bill requires the Secretary to designate at least 10 National Energy Security Corridors within two years in the eastern United States, and specifies that the designation of the corridors would not be considered “major Federal actions” under the National Environmental Policy Act (NEPA) and thereby waived from NEPA review. Under the bill, the Secretary would be directed to establish procedures to expedite and approve applications for ROWs for natural gas pipelines across the newly designated corridors. It also provides for certain deadlines associated with the authorizations, including an approval time of not more than one year after the date of receipt of a ROW application, and for the Secretary to report to Congress when the deadlines are not met. Finally, the bill amends the MLA to provide for the authorization of natural gas pipelines across units of the National Park System.

Analysis

While the Department supports the goal of the bill to provide for efficient transmission of important natural gas resources across Federal lands, it believes the legislation is unnecessary because many of the activities authorized by the bill are already within the scope of existing Department authorities. The Department opposes establishing a new system of corridors on top of those designated under Section 368(a) of EPA Act and opposes the requirement to designate at least 10 new 368(b) corridors within two years in the eastern United States, which is too short a timeframe to adequately coordinate with states, tribes, other Federal partners, and the public. The Department also questions the significant role given to the Department of the Interior in designating corridors in the eastern United States under H.R. 2295, where the Department manages very little multiple-use land and has a significantly different role than it does in the western United States.

Furthermore, the Department opposes the bill’s provisions declaring that energy corridor designation and incorporation into a land use plan shall not be treated as major Federal actions under NEPA and that approvals are required. This NEPA waiver is unnecessary and counterproductive, as it would only complicate the deliberative process necessary for the appropriate consideration of specific authorization decisions. Designating corridors on Federal land does not create a contiguous corridor; rather intervening parcels of state and private land complicate corridor designation and are important considerations in both Federal and state permitting processes. The BLM routinely designates energy corridors as part of a land use plan

or concurrently with the environmental review for a major infrastructure project. These are typically addressed with Environmental Impact Statement level analysis, which includes substantial agency, tribal, public, and industry input. The Department does not support limiting public input through the environmental review process under NEPA; it is a critical tool for engaging the public and for analyzing and mitigating for impacts to adjacent private lands and state-managed resources. These open, public processes help the land managing agencies consider impacts on the surrounding communities and the environment, as well as identify unknown or unforeseen issues, which is invaluable to sound public land management and appropriate routing for these corridors. Moreover, it is unclear that restricting the level of NEPA analysis required would result in significant time savings since close coordination with cooperating partners and the public would be necessary whether within or outside of a formal NEPA process. Additionally, designation of corridors without an appropriate level of NEPA analysis would not provide any time savings as BLM would be required to complete an appropriate NEPA analysis for each individual project proposed within a given corridor, an analysis that would be expedited were the corridor designation subject to a NEPA review. The Department is committed to providing full environmental review and public involvement opportunities required by NEPA for proposals for the use of the nation's public lands.

Certain provisions of the bill also need clarification, including the bill's definition of Federal lands, and whether the designation of the new energy corridors is intended to be limited to natural gas transmission. The BLM authorizes multiple uses in its corridors to the extent practicable, in order to maximize operational efficiencies and minimize adverse environmental impacts and proliferation of separate ROW authorizations. The Department would prefer to have the flexibility for its corridors to accommodate a number of uses, such as electric transmission, fiber optics, and oil, gas and water pipelines. Certain deadlines of the bill are also a concern, such as its requirement to approve ROWs for pipeline projects within one year after receipt of an application. There are a number of reasons the BLM might not meet the one-year deadline, such as incomplete applications from a developer, and the need to conduct public outreach, tribal consultation, state and local government consultation and coordination, cultural resource surveys, or other analyses necessary to balance project approval with mitigation and protection of the natural and cultural resources of the public lands.

Pipelines in National Park Service Lands

Finally, the Department strongly opposes the bill's provisions that would authorize the Secretary to issue a ROW on NPS lands – reversing the longstanding prohibition on allowing such pipelines in our national parks (except where Congress adopts an explicit authorization for a particular location). In its 1973 amendments to the MLA, Congress determined that our national parks would not be subject to the general ROW provisions. This specific exemption in the MLA protects the integrity, resources, and values of the National Park System. The significant infrastructure associated with the clearing, grading, trenching, stringing, welding, coating and laying of pipeline as well as the transportation of oil and gas products via pipeline, which carries the risk of oil spills and gas explosions, is inconsistent with the conservation mandate set forth in the NPS Organic Act. H.R. 2295 would overturn longstanding and necessary protection of park system resources and values, visitor experience, and human health and safety, and would undermine the very purpose for which National Park System units were created.

We note that the exclusion of national parks from the MLA has not prevented the issuing of rights of way for pipelines through national park units. In fact, the Department has supported legislation authorizing rights of way for oil and gas pipelines on a park by park basis, when it has been appropriate to do so. Recent cases include legislation authorizing rights of way at Denali National Park, Glacier National Park, Great Smoky Mountains National Park and Gateway National Recreation Area.

Conclusion

The BLM is working diligently to fulfill its role in securing America's energy future, coordinating closely with partners across the country to ensure that the development of energy resources occurs in the right places and that those projects are managed safely and responsibly. The agency has a proven record of facilitating responsible siting of natural gas pipelines and is already moving forward with refining and implementing existing corridors established for that purpose. Thank you for the opportunity to present testimony on H.R. 2295.