

**Statement for the Record  
U.S. Department of the Interior**

**House Committee on Natural Resources  
Subcommittee on Energy and Mineral Resources**

**H.R. 6009, Restoring American Energy Dominance Act  
H.R. 1449, CLEAN Act  
H.R. 6011, Right-of-Way Application Transparency and Accountability Act  
H.R. 2855, Sinkhole Mapping Act**

**October 25, 2023**

Thank you for the opportunity to provide this Statement for the Record on the Discussion Draft of H.R. 6009, Restoring American Energy Dominance Act, H.R. 1449, the CLEAN Act, H.R. 6011, Right-of-Way Application Transparency and Accountability Act, and H.R. 2855, Sinkhole Mapping Act.

**H.R. 6009, Restoring American Energy Dominance Act**

This bill would require the Director of the Bureau of Land Management (BLM) to withdraw the BLM's proposed Onshore Oil and Gas Leasing Rule. H.R. 6009 would unnecessarily interfere with the rulemaking process and would prevent the BLM from responsibly managing the Federal oil and gas program on behalf of the American people. The Department of the Interior's (Department) strongly opposes this proposed legislation.

***Background / Proposed Rulemaking***

The BLM's current oil and gas regulations, which were last updated in 1988 and contain fiscal terms that were set more than 70 years ago, have failed to provide a fair return to the American people. These outdated regulations also do not support a balanced management approach that addresses the climate challenges facing our public lands today. Direction from Congress – through the Inflation Reduction Act (IRA, Public Law 117-169) – required the BLM to take steps to modernize its oil and gas program through policy and regulation updates. The BLM also notes that prior to the enactment of the IRA, the Government Accountability Office (GAO) and the Department's Office of Inspector General (OIG) reviewed and audited the BLM's Federal onshore oil and gas program, and recommend actions to better ensure that the American public receives a fair return from oil and gas activities on public lands.

In response to the enactment of the IRA, the BLM issued updated guidance to its field professionals to enable consistent implementation of the IRA's changes to the agency's oil and gas programs, and in July 2023, the BLM published its proposed Onshore Oil and Gas Leasing Rule. These proposed regulations would modernize the program, provide a balanced approach to public lands management, and ensure a fair return for American taxpayers. The updates codify the oil and gas management provisions in the IRA, and will help implement the reform agenda laid out by the Department's Report on the Federal Oil and Gas Leasing Program. The proposed rule would be the BLM's first comprehensive update to the Federal onshore oil and gas leasing framework since 1988, and the first update to minimum bonding amounts since 1960. To date,

the BLM has hosted four of five planned public meetings, and is currently accepting comments on the proposed rule through September 22, 2023.

### ***Fiscal Reforms***

As noted, independent studies have consistently demonstrated that the BLM's oil and gas leasing framework fails to provide an adequate return to the taxpayer for the use of public lands and resources. The proposed rule would update outdated fiscal provisions and align the BLM's regulations with the fiscal reforms included in the IRA. Additionally, the proposed rule would reduce the nonoperational period after which a well is considered idled to 4 years (consistent with the definition provided in the Bipartisan Infrastructure Law, P.L. 117-58); require operators of nonoperational wells to help the BLM reduce its inventory of idled wells through improved identification, tracking, and proactive management; and revise the onshore program's cost recovery mechanisms to ensure that the program's application fees reflect actual processing costs.

### ***Bonding***

The BLM's current bonding requirements have not been updated since the 1950s and 1960s. Current lease bond amounts do not meet the actual costs of cleanup in the event an operator goes out of business or otherwise fails to complete required plugging and reclamation – costs that are then borne by the American taxpayer. The proposed Onshore Oil and Gas Rule would increase the minimum lease bond amount from \$10,000 to \$150,000; increase the minimum statewide bond amount from \$25,000 to \$500,000; eliminate nationwide and unit operator bonds; and include additional protections for surface owners. Phase-in periods would be provided for existing operations to come into compliance with new bonding requirements.

The GAO has issued several reports recommending the BLM address risks from insufficient bonding, including as recently as September 2019 (GAO-19-615). The GAO found the bonds held by the BLM were insufficient to cover the costs of reclaiming orphaned wells, shifting reclamation costs onto taxpayers, and that 84 percent of the bonds it reviewed were not sufficient to cover reclamation costs. The GAO also determined the bond amounts, which were usually set at the regulatory minimum, “[do] not account for variables such as the number of wells [the bonds] cover or other characteristics that affect reclamation costs, such as well depth.”

### ***Responsible Leasing & Development***

Further, the proposed rule would focus agency resources on areas with the highest potential for development and with the fewest multiple-use conflicts, allowing the BLM to better manage public lands for multiple uses and sustained yield. The proposed rule will incorporate preference criteria into oil and gas regulations to provide clarity and consistency in the BLM's decision-making process for leasing; direct leasing and development towards areas with higher oil and gas potential; and avoid leasing in areas with sensitive cultural, wildlife, and recreation resources.

The proposed rule also would ensure oil and gas lessees are financially and technically capable of responsible development, as required by the Mineral Leasing Act and expressly stated in the BLM's oil and gas lease form. This will be realized through incentivizing diligent development by responsible and qualified parties, limiting the use of lease suspensions and drilling permit extensions, and strengthening oversight over lease transfers.

### ***Current Status***

As we transition to a clean energy economy, it is essential that the BLM's oil and gas management promotes the highest safety, environmental, and public engagement standards, including those related to environmental justice and Tribal engagement, while securing a fair return for the American taxpayer. For these reasons, as well as based on direction from Congress through the IRA, the BLM has taken steps to modernize its oil and gas program through policy and regulation updates.

Through the 60-day comment period on the proposed rule, the BLM received over 260,000 comments. The BLM is currently reviewing the comments and plans to draft a final rule based upon the significant input received from the wide range of stakeholders who submitted comments. The BLM is committed to its core mission of multiple use and sustained yield, which includes managing the fluid mineral program responsibly. The Department strongly opposes this proposed legislation which is inconsistent with clear statutory direction provided in the IRA.

### **H.R. 1449 Committing Leases for Energy Access Now ("CLEAN" Act)**

H.R. 1449 would amend the Geothermal Steam Act of 1970 (Steam Act) to require the BLM to hold competitive geothermal lease sales each year in a State that has nominations pending. Further, if a lease sale is canceled or delayed, then the BLM must conduct a replacement sale during the same year. The bill also would require the BLM to notify applicants, within 30 days of receiving an application for a geothermal drilling permit (GDP), whether or not their application is complete. Finally, H.R. 1449 would require the BLM to issue a final decision on a geothermal drilling permit within 30 days of notifying the applicant that their application is complete.

### ***Analysis***

The BLM has the authority for leasing geothermal resources on 245 million acres of public lands and 700 million acres of subsurface mineral estate, which makes up nearly a third of the nation's mineral estate. This includes 104 million acres of National Forest System lands managed by the U.S. Department of Agriculture. Since the Energy Act of 2020, the BLM has permitted over 9,400 megawatts of wind, solar, and geothermal energy. The BLM has prioritized the processing and permitting of 30 proposed renewable energy projects on Federal land by FY 2025, with a potential cumulative capacity of nearly 20,000 MW. In FY 2023, 13 solar, geothermal, and interconnect generation tie projects were authorized, and these projects will support a generation capacity of 2,676 MW. In the past three years the BLM held six competitive geothermal lease sales in Nevada, New Mexico, Utah, and Oregon, and has another planned for Nevada in FY 2024. These significant efforts underscore the Administration's commitment to expand and modernize our energy infrastructure, decarbonize our energy grid, and transition to a clean energy future.

The BLM supports the goal of promoting geothermal development on public lands and under this Administration the BLM has held geothermal lease sales every year. Additionally, when a lease sale is postponed, the BLM works to reschedule it as soon as practicable, but if a sale is scheduled late in the year a replacement may not be possible the same calendar year. The BLM also notes it often requires additional time to prepare for lease sales when the agency is leasing geothermal resources underlying lands managed by other Federal agencies. If the bill moves

forward, the BLM would like to work with the sponsor on technical modifications to account for Federal surface managed by agencies other than the BLM, on the timing of sales and replacement sales, as well as to updates to some terms.

The BLM also supports the goal of promoting efficient and timely processing of GDPs, including notifying applicants as to the completeness of their application in a timely manner. However, the bill's proposed 30-day requirement to notify applicants of the completeness of their application may not be achievable in the case of complex applications or for applications submitted to offices with limited geothermal staff or vacant positions. As such, the BLM recommends increasing the time allotted to provide notification from 30 to 90 days. Ninety days would provide additional time for the limited situations where staffing, project size, or complexity could prevent an office from complying with the notification requirement. In addition, the 30-day deadline to issue a decision on complete applications would be nearly impossible to achieve as written. Further, issuing a decision on the complete application in 30 days does not allow adequate time to complete the analysis required by the National Environmental Policy Act. Additionally, operators may need permits from other agencies like the U.S. Fish and Wildlife Service, Environmental Protection Agency, etc. or state and Tribal agencies. Tight deadlines may make coordination between the BLM and other agencies more difficult, with an unintended consequence of uncoordinated or duplicative efforts, and resulting in longer overall permitting timelines rather than the expedited permitting intended by this bill. Therefore, the BLM cannot support these provisions as currently written.

#### **H.R. 6011, Right-of-Way Application Transparency and Accountability Act**

H.R. 6011 would require the BLM to notify right-of-way (ROW) applicants whether their application is complete or deficient within 60 days of receipt. The bill would pertain to applications for rights-of-way issued or renewed under the Federal Land Policy and Management Act and under the Mineral Leasing Act.

#### ***Analysis***

A ROW authorizes the use of parcels of public land for a specified period that is appropriate for the life of the project. A ROW is required whenever a project or activity would involve appreciable disturbance, alteration, or damage to public lands, and may be granted when doing so is in the public interest. The BLM receives ROW applications for a wide range of public uses including roads, pipelines, transmission lines, communications facilities, aquifer recharge, and solar, wind, and hydropower projects. The BLM manages approximately 120,000 existing ROWs and receives nearly 3,500 applications for new ROWs, renewals, or modifications annually.

Following receipt of a ROW application, the BLM notifies the applicant of the cost recovery category determined for processing the action, associated fees, and requests any additional information needed to process the application. Currently, there is no timeframe within which the BLM is required to notify applicants whether their application is complete or deficient.

However, it is the BLM's practice to review the completeness of new applications as quickly as possible, relative to other workload and priorities.

The BLM supports the goal of the bill to notify applicants as to the completeness of their application in a timely manner. However, the bill's proposed 60-day requirement may not be achievable in the case of complex applications or for applications submitted to offices with limited realty staff or vacant positions. As such, the BLM recommends increasing the time allotted to provide notification from 60 to 90 days. Ninety days would provide additional time for the limited situations where staffing, project size, or complexity could prevent an office from complying with the notification requirement. Additionally, applicants may need permits from other agencies like the U.S. Fish and Wildlife Service, Environmental Protection Agency, etc. or state and Tribal agencies. Tight deadlines may make coordination between the BLM and other agencies more difficult, with an unintended consequence of uncoordinated or duplicative efforts, and resulting in longer overall processing timelines rather than the expedited decisions intended by this bill.

### **H.R. 2855, Sinkhole Mapping Act of 2023**

H.R. 2855 directs the USGS to study the short- and long-term mechanisms of sinkholes and develop maps of sinkhole risk. These maps would be published online and updated at least once every five years.

#### ***Analysis***

The USGS is undertaking limited research and mapping activities on sinkhole processes and hazards, but the requirements of the bill are much more expansive. Development of reliable and routinely updated sinkhole hazard maps and assessments at the scales required in the legislation to inform hazard avoidance and risk reduction would require the USGS to undertake a more expanded and sustained effort and would need to be achieved using existing resources that are currently committed for other purposes.

The USGS has the expertise required to conduct analyses related to sinkhole processes and hazards. For instance, the USGS is establishing Integrated Water Availability Assessments in select basins, which could contribute to improved understanding of sinkhole formation. However, the ability to develop maps, especially on five-year schedules and at the scales required to inform hazard avoidance and risk reduction, would require a substantially expanded and sustained effort. Furthermore, unlike the national-scale karst topography map produced in 2020, an operational program assessing sinkhole hazards across the country would require many local-scale efforts. Sinkholes are highly localized geologic processes, meaning that while they can happen in many places, the triggers and dynamics in a particular area depend very much on aspects of the local geology. State geologists provide this local expertise. Some of this local-scale work is already undertaken by state geologists, but the maps contemplated by H.R. 2855 would require substantial additional work.

The USGS appreciates the intent of the bill and recognizes the need to address sinkhole hazards. The program as envisioned in H.R. 2855 would, however, impact other priorities, including those authorized by the Energy of Act of 2020 and the Infrastructure Investment and Jobs Act of 2021.

The USGS would like to work with the bill's sponsors to address sinkhole issues without impacting other critical USGS work.

**Conclusion**

Thank you again for the opportunity to provide a statement for the record on these bills.