

ROLLOUT (3/9)

10am

Calls to groups (Laura)

Hill notifications, part one (OCL)

Embargoed release given to Politico

Stakeholder calls (BOEM, BLM – coordinated by ASLM)

10:30am

Email notifications (Laura, OCL, Shantha)

11am

Press release distribution

[Social post](#)

Interior Department Outlines Next Steps in Fossil Fuels Program Review

As part of the comprehensive review of the federal oil and gas program called for in Executive Order 14008, the Interior Department will host a virtual forum on Thursday, March 25th. The day-long forum will feature several panels to highlight perspectives from industry representatives, labor and environmental justice organizations, natural resource advocates, and other experts.

Fossil fuel extraction on public lands accounts for nearly a quarter of all U.S. greenhouse gas emissions. Multiple bills in Congress have been introduced in recent years to reform the program, including those to better ensure the public is not shut out of land management and leasing decisions; to address the mounting cleanup and remediation costs of orphan wells scattered across the country; and to provide a fair return to taxpayers for the use of their resources.

Over the last few years the oil and gas industry has stockpiled millions of acres of leases on public lands and waters. Onshore, of the more than 26 million acres under lease to the oil and gas industry, nearly 13.9 million (or 53%) of those acres are non-producing. Offshore, of the more than 12 million acres of public waters under lease, over 9.3 million (or 77%) of those acres are non-producing. Onshore and offshore, the oil and gas industry currently holds approximately 7,700 unused, approved drilling permits.

Yet in spite of these facts, the Trump administration offered for lease more than 25 million acres of public land onshore and more than 78 million acres offshore for oil, gas and mineral development. While only 5.6 million onshore acres were purchased and 5 million offshore, this result clearly indicates that it is time for the Interior Department to take steps to better manage our public lands.

“The federal oil and gas program is not serving the American public well. It’s time to take a close look at how to best manage our nation’s natural resources with current and future generations in mind,” said **Principal Deputy Assistant Secretary - Land and Minerals Management Laura Daniel-Davis**. “This forum will help inform the Department’s near-term actions to restore balance on America’s lands and

waters and to put our public lands' energy programs on a more sound and sustainable conservation, fiscal and climate footing.”

The information gathered at the forum, which will be livestreamed, will help inform an interim report from the Department that will be completed in early summer. The report will include initial findings on the state of the federal conventional energy programs, as well as outline next steps and recommendations for the Department and Congress to improve stewardship of public lands and waters, create jobs, and build a just and equitable energy future.

In addition to the forum, the Interior Department is conducting outreach to Members of Congress, Governors, Tribes, and other state and local elected leaders. Members of the public will be able to offer written comments to inform the interim report. Details on how to view the forum or submit comments will be forthcoming.

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List of Bills

ONSHORE

H.R. 1492, Methane Waste Prevention Act, 117th (Rep. DeGette, D-CO-1)

Summary: H.R. 1492 requires the Secretary of Interior to issue regulations to reduce and prevent natural gas waste and to enhance gas measuring and reporting. The bill requires that within three years operators capture at least 85 percent of all gas produced each year, increasing to at least 99 percent within five years; and to update these regulations every five years. In addition, the bill codifies BLM's 2016 Waste Prevention Rule (81 Fed. Reg. 83008). The bill also includes several provisions that pertain to the U.S. Environmental Protection Agency and the Department of Energy.

H.R. 1503, Restoring Community Input and Public Protections in Oil and Gas Leasing, 117th (Rep. Levin, D-CA-49)

Summary: H.R. 1503 amends the Mineral Leasing Act and makes several adjustments in oil and gas leasing on public lands, including increasing royalty and rental rates; removing non-competitive leasing; charging new fees for expressions of interest (EOIs); decreasing the frequency of lease sales; decreasing the length of lease terms; requiring disclosure of bidder identity; and adding a number of new management provisions related to surface owners. Specifically, the bill:

- Changes the competitive auction process from escalating bids to a competitive sealed bidding process while also removing noncompetitive bidding.
- Raises the minimum bid from \$2 per acre to \$10 per acre.
- Increases the current royalty rate from 12.5 percent to 18.5 percent and increases rental rates from \$1.50 per acre per year to not less than \$5 per acre per year.
- Decreases lease term durations from ten to five years and also sets a maximum of no more than three lease sales per state per year, with a further restriction of no more than one sale per field office per year.
- Changes public disclosure of lease information requirements.
- Imposes a new fee for submitting an EOI for lands that companies are nominating for leasing.

H.R. 1505, Bonding Reform and Taxpayer Protection Act, 117th (Rep. Lowenthal, D-CA-47)

Summary: The bill adjusts many of the fiscal terms related to the onshore oil and gas leasing process, including bonding and the Permit Processing Fund, as well as creating orphaned well and inspection fees. Specifically, the bill:

- Increases the minimum bonding requirements on Federal wells to at least \$150,000 for an individual surface-disturbing activity (lease bond); \$500,000 for all surface-disturbing activities of an entity in a State (statewide bond); and eliminates nationwide bonds.
- Requires the BLM to follow WO-IM-2019-014 for bond adequacy reviews.
- Prohibits the Secretary from issuing or approving a lease if the operator or subsidiary has failed or refuses to comply with the reclamation requirements for any prior leases.

- Directs DOI/USDA to promulgate regulations within 180 days to require that adequate bond, surety, or other financial arrangement be in place prior to surface-disturbing activities on any lease; and to establish standards for interim and final reclamation.
- Expands the uses of BLM's Permit Processing Improvement Fund to allow for bond reviews, orphan well inventories, and environmental reviews.
- Creates a new oil and gas inspection fee program.
- Adds an orphaned well fee.

H.R. 1506, Transparency in Energy Production Act, 117th (Rep. Lowenthal, D-CA-47)

Summary: H.R. 1506 requires companies seeking Federal energy leases (oil, gas, renewable energy, and pipelines) and existing energy leaseholders to submit to the Department of the Interior an annual report outlining greenhouse gas emissions, air and water quality impacts, biodiversity impacts, and other disclosures from the relevant Sustainability Accounting Standards Board standard, resulting from their operations on public lands. Under the bill, the Department would be authorized to deny a new lease and suspend existing leases if the entity failed to comply with the reporting requirements. Additionally, the bill requires the Department, through publishing bi-annual reports to Congress, to disclose greenhouse gas emissions, air and water impacts, biodiversity impacts, and other aggregate data from energy production on public lands.

H.R. 1517, Taxpayer Fairness for Resource Development Act, 117th (Rep. Porter, D-CA-45)

Summary: The bill adjusts many of the fiscal terms associated with the onshore oil and gas program, including royalty rates, minimum bids, and acreage rentals, and also creates an inspection fee. Specifically, the bill:

- Raises the royalty rate (12.5% to 18.75%), minimum bid (\$2 to \$10) and rental (\$1.50 to \$3/acre) requirements for oil and gas operations on Federal lands.
- Increases the penalties the Department may assess for onshore and offshore operators in noncompliance (up to \$150,000).
- Eliminates certain royalty relief provisions for offshore Alaska and Gulf of Mexico, and for the NPR-A.
- Revises the Royalty Policy Committee Charter membership.
- Creates an inspection fee.

H.R. 2415, Orphaned Well Cleanup and Jobs Act, 117th (Rep. Leger Fernandez, D-NM-3)

Summary:

- The bill's objective is to require the Secretary of the Interior to establish a program to plug, remediate, and reclaim orphaned oil and gas wells and the surrounding lands and to provide funds to States and Tribal Governments to plug, remediate, and reclaim orphaned oil and gas wells and the surrounding lands, and for other purposes.

H.R. 2986, To discourage speculative oil and gas leasing and to promote enhanced multiple use management of public land and National Forest System land, and for other purposes.

(Rep. Lee, D-NV-3)

Summary: *TEXT NOT YET AVAILABLE*

S. 607, End Speculative Oil and Gas Leasing Act of 2021, 117th (Sen. Cortez Masto, D-NV)

Summary: This bill specifies requirements for the leasing of oil and gas resources on federal lands.

- The Bureau of Land Management (BLM), with respect to certain federal land that is covered by a reasonably foreseeable development scenario (i.e., a long-term projection of oil and gas development) shall not offer the land for lease until such scenario includes an assessment of the land's oil and gas potential that specifically identifies the potential for all acres subject to decisions on availability for leasing.
- If certain federal land that is otherwise available for leasing of oil and gas resources is not covered by a reasonably foreseeable development scenario, the BLM shall complete such a scenario in accordance with the requirements and factors described in this bill.
- In general, the BLM shall not offer for lease certain federal land otherwise available for leasing of oil and gas resources if such land is designated in the applicable reasonably foreseeable development scenario as having low or no potential for the development of oil or gas resources. However, the bill provides for a variance process.
- With respect to each of these requirements, exceptions apply for federal land that is leased for the purpose of preventing oil or gas drainage or that meets specified requirements related to size and proximity to an oil- or gas-producing well.

S. 624 - Fair Returns for Public Lands Act of 2021, 117th (Sen. Rosen, D-NV)

Summary: Increases onshore oil and gas: royalty rates to 18.75%; minimum bid amounts to \$10/acre; and rental rates from \$1.50 and \$2 per acre to \$3 and \$5 per acre respectively. In addition, the bill creates a fee for expressions of interest and changes the terms for lease reinstatements.

S. 1076, Revive Economic Growth and Reclaim Orphaned Wells Act or the REGROW Act, 117th (Sen. Lujan, D-NM)

Summary: S. 1076 establishes an orphaned well remediation program for Federal, State/Private, and Tribal lands.

S. 4223, Leasing Market Efficiency Act, 116th Congress (Sen. Tester, D-MT)

Summary: This bill requires the Bureau of Land Management (BLM) to issue all onshore oil and gas leasing through a competitive bidding process. The BLM must ensure the receipt by the United States of fair market value for any land or resources leased and any rights covered by the United States.

S. 4641, PEOPLE Act of 2020, 116th Congress (Sen. Bennet, D-CO)

Summary: This bill revises requirements related to public notice and comment periods with respect to oil and gas lease sales.

S. 4642, Oil and Gas Bonding Reform and Orphaned Well Remediation Act, 116th Congress (Sen. Bennet, D-CO)

Summary: The bill:

- Establishes a program to remediate orphan wells on Federal, state, and Tribal lands. The Department is tasked with administering the program and would disperse 75 percent of available funds (from oil and gas revenues) to states and tribes.
- Eliminates the nationwide bond, but increases minimum lease bonds to \$75k, and statewide bonds to \$200,000. Establishes an inspection and enforcement fee (total cost of I&E) and makes changes to Permit Processing Improvement Fund.
- Requires the promulgation of implementing regulations and delivery of report to congress.
- Requires full bonding on all wells and prevents issuance or assignment of any lease in which the responsible party has failed or refused to comply in any material respect with a reclamation requirement.
- Adds requirements to the Surface Use Plan of Operations currently required under Onshore Order #1.
- Limits inactive wells to no more than five years.

OFFSHORE

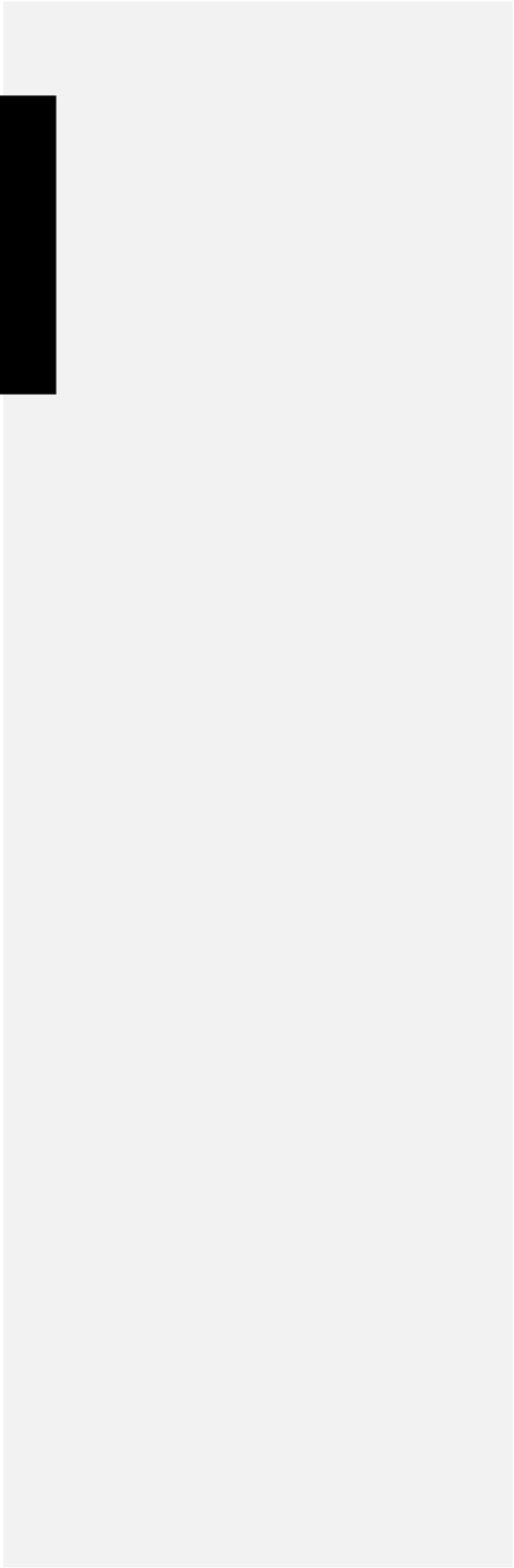
- H.R. 570, the "Offshore Accountability Act," from Rep. Donald McEachin (D-Va.), which would require offshore drilling operators to notify the Interior secretary of critical system failures.
- H.R. 2643, the "Offshore Pipeline Safety Act," from Rep. Julia Brownley (D-Calif.), which would order the Bureau of Safety and Environmental Enforcement to update and finalize regulations that address long-standing risks to the integrity of offshore pipelines, environmental hazards and decommissioning.
- H.R. 2836, the "Florida Coastal Protection Act," from Rep. Kathy Castor (D-Fla.), which would prohibit oil and gas leasing and development on parts of the outer continental shelf off the coast of Florida.
- The "Clean Ocean and Safe Tourism (COAST) Anti-Drilling Act," from Rep. Frank Pallone (D-N.J.), which would amend the Outer Continental Shelf Land Act to bar permanently oil and gas drilling in federal waters off the mid-Atlantic, south Atlantic, north Atlantic and Straits of Florida.
- The "American Coasts and Oceans Protection Act," from Rep. Mike Levin (D-Calif.), which would amend the Outer Continental Shelf Land Act to bar oil and leasing off the coast of Southern California.
- The "North Pacific Ocean Protection Act," from Rep. Jared Huffman (D-Calif.), which would bar oil and gas leasing in parts of federal waters in the Pacific.
- H.R. 544, the Stop Arctic Ocean Drilling Act of 2021 from Rep. Jared Huffman (D-Calif.), would prohibit drilling in the Arctic Ocean.
- H.R. 569, the Defend Our Coast Act from Rep. Donald McEachin (D-VA-4), prohibits issuing a lease for the exploration, development, or production of oil or gas in the Mid-Atlantic Planning Area of the OCS.

- S. 58, the West Coast Ocean Protection Act from Senator Dianne Feinstein (D-CA) would permanently ban oil and gas drilling in Federal waters off the coasts of California, Oregon, and Washington.

Language in Report

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DRAFT: DELIBERATIVE AND PRE-DECISIONAL

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