

To: Chrissy Harbin[CHarbin@afphq.org]
From: Funes, Jason
Sent: 2017-10-25T15:17:03-04:00
Importance: Normal
Subject: Re: Department of the Interior Releases Energy Burdens Report: TEST
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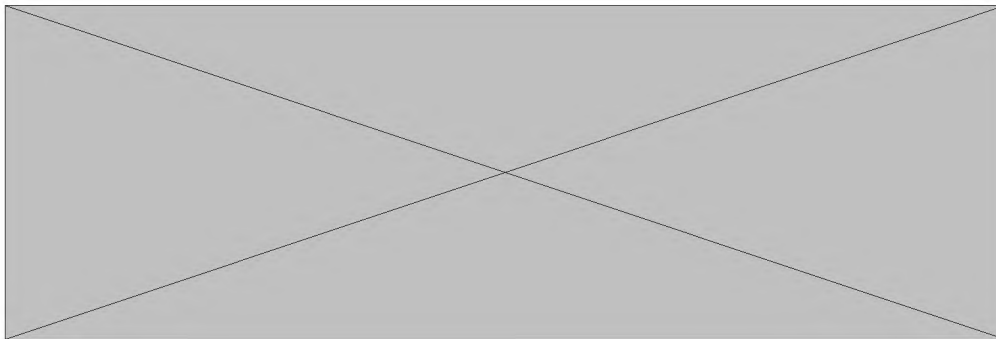
The latest email with the attachment has the real meat and potatoes; the news release is just the sign that says the restaurant is open :)

Jason Funes
Special Assistant
Intergovernmental and External Affairs
Office of the Secretary
Department of the Interior
Office: (202) 208-5541

On Wed, Oct 25, 2017 at 3:14 PM, Chrissy Harbin <CHarbin@afphq.org> wrote:

Many thanks!

From: "Funes, Jason" <jason_funes@ios.doi.gov>
Date: Wednesday, October 25, 2017 at 2:32 PM
To: Chrissy Harbin <CHarbin@afphq.org>, Grant Kidwell <GKidwell@afphq.org>
Subject: Fwd: Department of the Interior Releases Energy Burdens Report: TEST



Date: October 25, 2017
Contact: Interior_Press@ios.doi.gov

Department of the Interior Releases Energy Burdens Report
Outlines Trump Administration's bold approach to achieving American energy dominance

WASHINGTON U.S. Secretary Today, the U.S. Department of the Interior released the "Review of the Department of the Interior Actions that Potentially Burden Domestic Energy" report which was produced in response to Executive Order 13783. The report identified agency actions that potentially burden the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources. Interior oversees America's oil, gas, coal, hydropower, and renewable energy resources produced on federal lands and waters, which account for almost one-fifth of the Nation's energy and generate on average \$10 billion per year in annual revenue.

“Developing our energy resources to grow our economy and protecting the environment are not mutually exclusive. However, while conducting the review outlined in the Executive Order, we found that several costly and burdensome regulations from the past threaten that balance by hampering the production or transmission of our domestic energy,” **said Secretary of the Interior Ryan Zinke**. “Our public lands are meant to be managed for the benefit of the people. That means a multiple-use approach where appropriate and making sure that multiple-use includes energy development under reasonable regulations. Following President Trump’s leadership, Interior is fostering domestic energy production by streamlining permitting and revising and repealing Obama-era job killing regulations all while doing so in an environmentally responsible way.”

“The federal government can and must be a better business partner,” **Vincent DeVito, Counselor to the Secretary for Energy Policy, said**. “Secretary Zinke’s bold approach to achieving American energy dominance is making our nation freer, more secure, and more prosperous. Regulations should not unnecessarily burden energy production, but that is what occurs in many cases. The recent actions outlined in this energy report show how Interior is rolling back some of these burdensome regulations that add little or no value, while promoting responsible energy development.”

The report identified a number of burdens that specifically impede the production and transportation of energy resources, including, but not limited to:

- **Obama-Era 5-Year Program** Under the last Administration, 94% of the Outer Continental Shelf (OCS) was put off-limits from leasing, having an adverse effect on jobs and energy dominance, while drastically reducing access to future revenue.
 - Trump Administration Action: Secretarial Order 3350, America-First Offshore Energy Strategy started the process of developing a new 5-Year Program to responsibly develop the OCS and generate much-needed revenue.
- **Federal Coal Leasing Moratorium (Secretarial Order 3338, Discretionary Programmatic Environmental Impact Statement to Modernize the Federal Coal Program)** Nearly 40% of our nation's coal comes from public lands. The 2016 coal moratorium undermines American energy security, inhibits job creation, and reduces revenues to state and local governments.

- Action: Secretarial Order 3348, Concerning the Federal Coal Moratorium repealed the Obama-era moratorium on new federal coal leases.

• **Hydraulic Fracturing on Federal and Indian Lands Rule (RIN 1004-AE26)** The compliance costs of the existing 2015 rule on hydraulic fracturing are not justified. All 32 states with federal oil and gas leases and some tribes currently have laws or regulations that address hydraulic fracturing operations.

- Action: Secretarial Order 3349: American Energy Independence put the rule under review. The BLM published a rulemaking to rescind the rule on July 25th.

• **Waste Prevention, Production Subject to Royalties, and Resource Conservation AKA the Venting and Flaring Rule (RIN 1004-AE14)** The rule imposes a substantial burden on industry, especially for marginal well production in energy-rich states like New Mexico, particularly the requirements that are set to become effective on January 17, 2018.

- Action: Secretarial Order 3349: American Energy Independence put the rules under review for subsequent action by the Department. On October 5, 2017, the BLM issued a proposed rule to temporarily suspend certain requirements of the rule. The BLM is also actively reviewing the underlying regulation for potential revision.

• **Unnecessarily lengthy NEPA reviews delay projects** The NEPA process has added extra time and analysis to project completion, which adds to uncertainty for industry and higher costs for taxpayers. This is particularly true for Departmental actions that impact energy and infrastructure projects, such as resource management planning, permitting, and issuance of rights-of-way for pipeline projects and electricity transmission.

- Actions: The Department has identified a number of rules and regulations to revise or rescind such as the Master Leasing Plans, the NEPA Compliance for Oil and Gas Lease Reinstatement Petitions, and the Sage-Grouse Resource Management Plans. In addition, the Deputy Secretary issued an August memo setting a deadline of one year and limiting EIS statements to 150 pages or 300 pages for unusually complex projects.

• **Holding energy producers hostage via Compensatory Mitigation (Secretarial Order 3330)** Current compensatory mitigation policies have reduced predictability, created conflicts, and unnecessarily increased permitting/authorization timelines. Additionally, industry stakeholders believe the mitigation planning goal exceeds statutory authority. Currently, Interior

and its bureaus lack a consistent terminology and framework for mitigation.

- Action: Secretarial Order 3349: American Energy Independence reexamined the use of mitigation policies and practices in order to better balance conservation strategies and job creation. Bureaus at the Interior will review various handbooks and manuals on the use of mitigation for energy and infrastructure projects.

• **Systematic delays in the leasing program and permitting process** The long period from when acreage is first nominated to when those acres are offered at a lease sale, as well as delays between the lease sale date and when leases are awarded reduces industry certainty and hinders states from receiving their share of lease sale revenues. These delays have rendered industry less able to plan for and execute exploration and production strategies in a timely fashion, and less able to respond effectively to changing market conditions.

- Action: Secretarial Order 3354 Supporting and Improving the Federal Onshore Oil and Gas Leasing Program and Federal Solid Mineral Leasing Program. In January 2017 there were 92 vacancies in key positions related to the permitting process. Since that time this administration has filled nearly half of those positions. The BLM is also modernizing the software used to track and coordinate permitting while seeking to add regional teams that will be able to greatly streamline the permitting process. So far this year the BLM has decreased their processing time for APDs by an average of 46 days.

• **Endangered Species Act** The Endangered Species Act (ESA) is taken into consideration for both on- and offshore energy and infrastructure projects. It has far-reaching negative impacts on energy production and transmission as well as on critical infrastructure projects. ESA abuses have led to increased costs and delays on projects.

- Action: Secretarial Order 3353: Greater Sage-Grouse Conservation and Cooperation with Western States Work with the Western Governors Association and other local partners to develop recommendations to improve the application of the ESA. Launch a review of ESA regulations and policy documents regarding outdated, unnecessary, ineffective, and inconsistently aligned with Executive and Secretarial Orders.

The report also detailed extensive action taken to advance American Energy Dominance at the Department of the Interior, including, but not limited to:

- Secretarial Order 3351: Strengthening the Department of the Interior's Energy Portfolio
- Secretarial Order 3352: National Petroleum Reserve - Alaska
- Secretarial Order 3353: Greater Sage-Grouse Conservation and Cooperation with Western States
- Reestablishing the Royalty Policy Committee to ensure the public continues to

receive the full value of energy produced on federal lands.

- Review, repeal, and rewriting of the following rules: the BSEE Well Control and BOP Rules, the ONRR Valuation Rule, and the OSMRE Stream Protection Rule.

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