

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. The Interior oversees America's oil, gas, coal, hydropower, and renewable energy resources produced on federal lands, which account for almost one-fifth of the Nation's energy and generate more than \$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 production or transportation of energy,” **said Secretary of the Interior Ryan Zinke**. “Our public lands are meant to be managed for the benefit of the people, and 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 Following President Trump’s leadership, Interior has streamlined permitting, increased revenues, and repealed job-killing regulations – all while doing so in an environmentally responsible way.”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 Plan** Put 94% of the Outer Continental Shelf (OCS) off-limits, having an adverse effect on jobs and energy dominance, while drastically reducing revenue.
 - Trump Administration Action: Secretarial Order 3350, America-First Offshore Energy Strategy started the process of developing a new 5-Year Plan to responsibly develop the OCS and generate much-needed revenue.
- **Federal Coal Lease 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 2015 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 rescinded 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, 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 seeking comment on temporarily suspending or delaying certain requirements of the rule.

• **Unnecessarily lengthy NEPA reviews delay projects** Multiple rules affecting NEPA have added extra time and analysis to project completion, which adds to uncertainty for industry and higher costs for taxpayers. This is particularly true for energy and infrastructure projects like rights of way and pipelines.

- 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 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** A long period

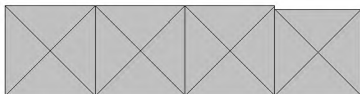
from acreage nomination to lease sale reduces industry certainty. These delays have rendered industry less able to plan for and execute exploration and production strategies in a timely fashion, and less able to respond effectively to changing market conditions.

- 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.

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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