

On Thursday night the House Natural Resources Committee released <u>draft text</u> of its portion of the Congressional budget reconciliation effort designed to pay for major pieces of President Trump's agenda, including extensions of the 2017 tax cuts. The 100-page bill is devastating to public lands conservation and management.

This document summarizes many of the ways in which the package would trade conservation of and access to vast swaths of America's public lands for drilling, mining and logging, strip protections from iconic places and circumvent judicial review to give communities little or no recourse to challenge damaging projects.

## **Onshore Oil and Gas**

The bill includes a vast array of de facto subsidies, procedural end-runs, and pay-to-play provisions that cement oil and gas leasing on BLM land and mineral estate as the preferred tenant on American public lands and sells those lands out to the highest bidder. Below is a non-exhaustive list of provisions that do this:

- Mandated quarterly lease sales in WY, NM, CO, UT, MT, ND, OK, NV, AK "and any state where there is land available for oil and gas leasing under the Mineral Leasing Act." (Sec. 80101)
  - Each mandated quarterly lease sale must offer at least 50% of nominated lands that are eligible and available for leasing.
  - All nominated lands must be offered within 18 months.
- Reduces the oil and gas royalty rate the federal onshore drilling program's primary source of revenue from 16.67% to 12.5%. (Sec. 80105)
  - This is half of what the State of Texas charges and well below the rates charged by other western states.
  - It would cost federal taxpayers billions of dollars in lost revenue and rob state budgets of funding that pays for key social services.
- Reinstates the authority for lease parcels that fail to receive competitive bids at an auction to be sold noncompetitively for a mere \$75 fee. (Sec. 80102) Empowers the Secretary to lower royalties for these parcels, potentially down to 0% if it is "equitable to do so."
- Creates a pay-to-play system that cuts public input out of the process at every turn and removes BLM's discretion to defer proposed leases or add additional protections for water, wildlife, or cultural resources. Specifically:

- Permit-by-rule: within 2 years, the Secretary will establish a system where companies can pay a fee of \$5,000 and file a registration certifying compliance with applicable regulations to commence drilling operations in no later than 45 days. (Sec. 80103)
- For non-federal lands with subsurface federal minerals, oil and gas companies can pay \$5,000 to circumvent the need for a drilling permit. (Sec. 80104) This also eliminates bonding and mitigation requirements.
- Attempts to silence the public with a mandatory charge for protest filings of \$150, \$10/page after the first 10 pages, and another \$10 per lease parcel, right-of-way, drilling permit, or any other action covered under a single filing. (Sec. 80161)

## NEPA (Sec. 80151)

- Allows private project sponsors to "opt-in" and pay an optional fee of 125% of the estimated
  cost of preparing a NEPA document to speed up their environmental review process (EA or
  EIS) and make their documents immune from judicial review.
- If a project sponsor indicates to the Council on Environmental Quality (CEQ) that it wishes to participate in this option, CEQ provides notice of the lead agency and fee amount. Upon payment of the fee, the project sponsor is entitled to the shortened review timelines. Timeline for this option:
  - o EAs shall be completed within 6 months.
  - o An EIS shall be completed within 1 year.
  - These timelines are far shorter than the timelines agreed to in the 2023 Fiscal Responsibility Act amendments to NEPA.
- Environmental documents prepared under this process are immune from both administrative and judicial review.
  - Even a Finding of No Significant Impact or Record of Decision (i.e., final agency decisions) cannot be challenged.

# Mining in the Headwaters of the Boundary Waters

The text reverses mining protections near the Boundary Waters (Sec. 80131), including:

- Rescinds Public Land Order 7917, which withdrew from mineral leasing 225,000 acres of the Superior National Forest in the headwaters of the Boundary Waters Wilderness.
- Reinstates previously invalidated hardrock mineral leases under highly favorable terms, including perpetual rights to renewal, and orders issuance of other new leases for prospecting permit holders with no public process or environmental review.
- o Overrides Forest Service's statutory right to deny consent to mining approvals.
- o Prohibits judicial review except for lessees.

## **Arctic Alaska**

The bill requires periodic oil and gas lease sales in the Arctic National Wildlife Refuge and the Western Arctic – also known as the National Petroleum Reserve—Alaska – and legislates the approval of the Ambler Road, which would service a mining project when completed. In mandating these lease sales and authorizations, the bill also short-circuits public input and judicial review, including on related authorizations.

- For the Arctic Refuge (Sec. 80121):
  - Requires four oil and gas lease sales in the Refuge's Coastal Plain over the next 10 years, with specific requirements that no less than 400,000 acres be offered in each sale, and that sales be conducted in years 1, 3, 5, and 7 from enactment.
  - Within 30 days, reissues canceled leases by accepting the highest bid valid bid from the January 2021 lease sale.
  - Implements lopsided procedural advantages for leaseholders, including a 30-day timeline for geophysical authorizations, and authorizations and actions are deemed to satisfy the requirements of ANILCA, NEPA, the Tax Act, the ESA, and the MMPA.
  - Judicial review is precluded, except for challenges by the State of Alaska or any lease holder.
- For the Western Arctic (NPR-A) (Sec. 80122):
  - Requires lease sales in the NPR-A every two years and requires that offerings exceed 4 million acres per year.
  - Halts implementation of the regulations that protect the <u>Special Areas</u> within the reserve from the impacts of oil and gas extraction and infrastructure.
  - Includes identical procedural advantages and judicial preclusions for leaseholders as the Coastal Plain provisions above.
- For legislating development of the Ambler Road to facilitate a mining district, contrary to the Biden Administration's Record of Decision cementing the No Road alternative (Sec. 80132)
  - Requires that all permits be issued and each authorization be deemed to satisfy all applicable law, with judicial review precluded.
  - o Requires previous environmental analyses and decisions be rescinded within 90 days.

## Renewable Energy

The bill includes several provisions related to renewable energy leasing, rights-of-way, and production on federal public lands. Some provisions are positive: for instance, the bill stipulates that states and counties earn a share of wind and solar bonus bid, rent, and fee revenues.

On the other hand, the bill recalculates acreage rents and megawatt capacity fees in a manner certain to increase costs for wind and solar developers, which will have a chilling effect on the clean energy buildout. Additionally, the bill's dangerous NEPA provisions summarized above would also apply to environmental reviews for renewable energy projects and related authorizations. Specifically:

## Wind and Solar

- Recalculates acreage rents in a manner that doubles acreage rents for wind but maintains the status quo for solar. Ensures that acreage rent is paid until production begins, and then the higher of acreage rent v. megawatt capacity fee is assessed. (Sec. 80181).
- Sets a blanket 4.58% megawatt capacity fee for wind and solar power generated, which is up to five times higher than current rates. Includes a 10% reduction in this fee for wind projects where 25% of the land or more is available for other multiple uses (Sec. 80181).
- Splits bonus bid, acreage rent, and megawatt capacity fee revenue at 25% state, 25% county, and 50% federal. Currently, 100% of these proceeds go to the U.S. Treasury. (Sec. 80182).

#### Geothermal

- Requires annual geothermal lease sales, rather than once every two years, in states
  with pending geothermal energy nominations, and requires that all nominated,
  eligible parcels be offered for lease. (Sec. 80111).
- Empowers the Secretary to set geothermal royalty rates for individual facilities between a range of 1-2.5% for facilities less than 10 years old, and 2-5% for facilities in operation for 10+ years. (Sec. 80112).

## **Forestry**

The bill includes numerous giveaways for the timber industry while removing requirements for community input through the National Environmental Policy Act (NEPA). These provisions include:

- Requires the USFS to within one year of enactment direct a 25% increase in timber harvest over the total volume harvested in Fiscal Year 2024. (sec. 80313)
  - This section notably excludes Eastern National Forests (Regions 8 and 9), since they are acquired lands under the Weeks Act, rather than reserved from the public domain. However, the forthcoming budget reconciliation text from the House Agriculture Committee (which maintains jurisdiction over the Eastern National Forests) may have identical timber harvest language for those lands.
  - If enacted, mandated increases in timber harvest volume will consequentially redirect attention away from the USFS' Wildfire Crisis Strategy that benefits communities vulnerable to extreme wildfires.

- Of extreme concern is the bill's apparent circumvention of the 2001 Roadless Rule, which
  protected nearly 60 million acres of our National Forests from road development. If passed,
  this bill could be interpreted to allow timber activity to occur in Inventoried Roadless Areas
  where existing or future forest plans do not incorporate the 2001 rule. (sec. 80313)
  - o The bill could also circumvent the Idaho and Colorado state-specific roadless rules.
- Requires the same 25% increase in timber harvest volume from the BLM. (sec. 80314)
- Requires the USFS to enter into at least one long-term (20-year) timber contract with either
  a private or public entity within each USFS region for each of Fiscal Years 2025-2034. (sec.
  80311)
  - This would benefit timber companies by allowing them to maximize their profits by postponing the harvest of timber sales for many years until wood product prices peak.
- Requires the same long-term contract obligations stated above for timber-related activities conducted by the Bureau of Land Management (BLM). (sec. 80312)
- The NEPA changes discussed above, would allow forest project sponsors to pay for expedited Environmental Assessments and Environmental Impact Statements – two essential tools that enable communities to provide feedback and concerns regarding flawed forest projects. This section also revokes judicial review for projects where this fee has been paid, meaning communities cannot effectively bring their concerns to court. (sec. 80151)

## IRA Funding Rescissions

The bill rescinds a host of unobligated funds from the Inflation Reduction Act (IRA) to land management agencies including:

- USFS unobligated funds from the IRA's National Forest System Restoration and Fuels Reduction Projects from the \$2,150,000,000 allocated. (Sec. 80306) This further includes:
  - Rescinding any unobligated funds from the \$50,000,000 allocated for the protection of old-growth forests and for the completion of a Mature and Old-Growth Forest Inventory.
- Unobligated funds from the originally allocated \$250,000,000 for National Parks and Public Lands Conservation and Resilience and another \$250,000,000 originally allocated for National Parks and Public Lands Conservation and Ecosystem Restoration. (Sec. 80308)
- Unobligated funds from the originally allocated \$500,000,000 for NPS Employees. (sec. 80309)

## Coal

- Orders Interior Department to make available at least 4 million new acres for coal leasing (Sec. 80141)
  - o Voids the coal leasing moratorium and review
  - o Reduces the surface coal mining royalty to 7% for the next 9 years

# **Resource Management Plan Implementation Prohibition**

The bill prohibits implementation, administration, or enforcement of the following BLM resource management plans:

- Rock Springs Field Office RMP (WY)
- Buffalo Field Office RMP (WY)
- Miles City Field Office RMP (MT)
- North Dakota RMP (ND)
- Colorado River Valley Field Office and Grand Junction Field Office RMPs (CO)