

Today, the Subcommittee will review actions taken by the Department of the Interior to address regulatory burdens on oil and gas production and consider recommendations provided in the Department's Energy Burdens report.

The Energy Burdens report assessed regulatory activities that may impose unnecessary burdens on energy development, the Department's progress in addressing such activities through policy directives, as well as the Department's recommendations for which activities require further review and potential reform.

To date, the Department has taken significant steps to address burdensome regulations that threaten energy development without providing requisite environmental or safety benefits. For example, the Department has rescinded the BLM's hydraulic fracturing rule and suspended compliance dates for the venting and flaring rule, both of which were so-called "solutions" in search of problems. The report also details action taken by the Department to promote the development of our domestic resources. For instance, the Department conducted an updated resource assessment for Alaska's North Slope region, including the Petroleum Reserve, indicating that the region holds significantly more technically recoverable resources than previously known – an estimated 8.7 billion barrels of oil and 25 trillion cubic feet of natural gas. Furthermore, the Department has, at the urging of this Committee, set a goal of returning to the practice of holding quarterly oil and gas lease sales, as required under the Mineral Leasing Act.

While the Department has been proactive in addressing regulatory burdens that discourage energy production, much work remains in getting bureaucracy out of the way of responsible and timely development of our domestic resources. Presently, the onshore oil and gas leasing process takes at least 16 months from the time a parcel is nominated for sale to the award of a lease. In fact, operators have observed that it can take over a decade to obtain and begin production on a lease in some instances. These delays can largely be attributed to the over-analyzation of similar issues under the National Environmental Policy Act. Requirements to conduct duplicative environmental reviews and comply with inconsistent leasing stipulations can add years to the initial timeline for production on a lease.

Moreover, according to the Energy Burdens report, the previous Administration made broad swaths of land unavailable for energy development by issuing inconsistent and overly restrictive land use designations through the land use planning process. In fact, the amount of acreage open for energy development was reduced by over 42% from 2008 to 2016. With less land available, burdensome regulatory requirements and uncertain approval timelines, operators have little choice but to take their business elsewhere – meaning lost mineral revenues for the Federal Government and States burdened with Federal land.

Today, the Subcommittee will hear from witnesses who can provide unique perspectives on navigating the onshore oil and gas leasing process and attest to the adverse impacts of regulatory uncertainty on energy production. These witnesses will demonstrate how delays in the oil and gas leasing process impact job creation beyond the oil and gas industry, as well as economic development in energy producing states. Finally, we will discuss the benefits that mineral revenues provide for States and how streamlining the leasing process will reduce

uncertainty for the communities that count on mineral revenues to run their schools and provide essential services to our constituents.