

Expression of Interest Fee Bill Talkers:

- Thank you, Mr. Chairman, and thanks to each of our witnesses for being here today. We appreciate your input and deeply value your expertise on these important issues.
- **H.R. 7375** would ensure that Expression of Interest (EOI) fees are paid by those who win the corresponding acreage in a lease sale. This will prevent multiple people and operators from having to pay to submit the same acreage and will incentivize the BLM to actually offer acreage included in submitted EOIs, otherwise they will not obtain the fee.
- The so-called Inflation Reduction Act created many structural flaws regarding energy, resulting in impracticalities and confusion on how to implement EOIs and other fees. A few months ago, Ms. Kathleen Sgamma from the Western Energy Alliance spoke to some of these impracticalities. In her testimony, she said that “excessive IRA spending that distorts energy markets confuses American energy policy and threatens grid reliability.”
- Ms. Sgamma also spoke to the fact that companies were paying for services that they weren’t receiving.
- We’ve seen this administration force an unnatural transition away from reliable fuels by taking actions such as cancelling pipeline projects, increasing burdensome regulations, and refusing to issue leases. The last thing that we need from this Administration is another excuse to avoid issuing leases. According to Ms. Sgamma’s testimony: “the BLM is playing games with how it counts EOIs and acreage offered...” suggesting that they intend to avoid meeting both the letter and spirit of IRA provisions that prevent the Department of Interior from completely crowding out reliable energy sources.
- I think we all agree that it’s wrong to pay an entity for services not provided. That’s what’s happening under the IRA with Oil and Gas Expression of Interest Fees. Companies pay \$5 per acre every three years to express interest in an oil and gas lease. As we all know, it’s been the policy of this administration to neglect issuing those leases.

- I initially introduced a bill that would allow entities with inactive leases to get reimbursed, and to allow the term for which the EOI applies to be extended from 3 years to 5 years. This initial proposal would have simply allowed producers to get what they pay for, and to be reimbursed when leases are not issued.
- After further consultation with energy companies, and particularly after our hearing with Ms. Sgamma from Western Energy Alliance, it was clear to me that we could take a better approach that addressed the problem of leases not being offered, as well as the problem of entities filing for random acreage that would never be bid on.
- If EOI fee language were to go completely unchanged, it would require companies to pay a fee of \$5 per acre for the acreage they express interest in, even if that acreage is never offered or sold. Essentially, the BLM is positioning themselves to charge for nothing, based on the fact that they don't offer lease sales.
- My bill resolves this problem by saying that BLM may not collect a fee for EOI's until the acreage is offered at a sale. My bill also addresses the problem of parcels being offered at an auction that don't receive any bids. Whether sold or not, my bill requires the EOI fee to be paid for simply being offered at an auction. This would allow BLM to cover its lease processing costs, and it would eliminate any incentive for a company to express interest in lands that nobody is interested in.
- It's imperative that we implement a new strategy to ensure that leases are being offered.
- I urge my colleagues to support this legislation, and I yield back.