

AMENDING THE ENERGY POLICY ACT OF 2005 TO MODIFY THE PILOT
PROJECT OFFICES OF THE FEDERAL PERMIT STREAMLINING PILOT
PROJECT

MAY 14, 2013.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural
Resources, submitted the following

R E P O R T

[To accompany H.R. 767]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 767) to amend the Energy Policy Act of 2005 to modify the Pilot Project offices of the Federal Permit Streamlining Pilot Project, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PILOT PROJECT OFFICES OF FEDERAL PERMIT STREAMLINING PILOT PROJECT.

Section 365 of the Energy Policy Act of 2005 (42 U.S.C. 15924) is amended by striking subsection (d) and inserting the following:

“(d) PILOT PROJECT OFFICES.—The following Bureau of Land Management Offices shall serve as the Pilot Project offices:

- “(1) Rawlins Field Office, Wyoming.
- “(2) High Plains District Office, Wyoming.
- “(3) Montana/Dakotas State Office, Montana.
- “(4) Farmington Field Office, New Mexico.
- “(5) Carlsbad Field Office, New Mexico.
- “(6) Grand Junction/Glenwood Springs Field Office, Colorado.
- “(7) Vernal Field Office, Utah.”.

PURPOSE OF THE BILL

The purpose of H.R. 767, as amended, is to amend the Energy Policy Act of 2005 to modify the Pilot Project offices of the Federal Permit Streamlining Pilot Project.

BACKGROUND AND NEED FOR LEGISLATION

Section 365 of the Energy Policy Act of 2005 established the Federal Permit Streamlining Pilot Project to improve coordination of

oil and gas permitting on Federal lands. The 2005 legislation included offices in Wyoming, Montana, New Mexico, Colorado and Utah as pilot project offices.

As a result of this project, the Bureau of Land Management (BLM) has been able to reduce a backlog of Applications for Permits to Drill (APD) filed by companies in these offices and the permitting and inspection processes have been streamlined. The numbers of inspections and APDs processed in these offices have increased and BLM's responsiveness to stakeholders has improved.

This legislation would include the Montana/Dakotas State Office in Montana as one of the BLM Pilot Project offices of the Federal Permit Streamlining Pilot Project established in the Energy Policy Act of 2005.

COMMITTEE ACTION

H.R. 767 was introduced on February 15, 2013, by Congressman Kevin Cramer (R-ND). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On March 21, 2013, the Subcommittee held a hearing on the bill. On April 24, 2013, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. Congressman Cynthia Lummis (R-WY) offered an amendment designated .012 to the bill; the amendment was adopted by unanimous consent. No further amendments were offered and the bill, as amended, was adopted and ordered favorably reported to the House of Representatives by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 767—A bill to amend the Energy Policy Act of 2005 to modify the Pilot Project offices of the Federal Permit Streamlining Pilot Project

H.R. 767 would authorize the Bureau of Land Management (BLM) to expand a pilot program that aims to accelerate and enhance the federal oil and gas permitting process at certain BLM of-

ices. Under current law, 50 percent of onshore oil and gas rental payments received by BLM (excluding those from Alaska) is available to fund the pilot program at seven BLM offices through 2015. The bill would allow the Secretary to use those funds at additional offices in North Dakota, South Dakota, Montana, and Wyoming.

Because CBO expects that any funds spent at the offices added to the pilot project under the bill would be spent at other offices under current law, we estimate that implementing the legislation would have no significant net impact on the federal budget. Enacting H.R. 767 could affect direct spending if expanding the pilot program resulted in BLM spending funds faster than it would under current law; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such impacts would be small over the 2014–2023 period. Enacting the bill would not affect revenues.

H.R. 767 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act, and would impose no costs on state, local, or tribal governments.

On April 3, 2013, CBO transmitted a cost estimate for S. 244, a bill to amend the Energy Policy Act of 2005 to modify the pilot project offices of the Federal Permit Streamlining Pilot Project, as ordered reported by the Senate Committee on Energy and Natural Resources on March 14, 2013. The two bills are similar, and the CBO cost estimates are the same.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. CBO estimates that implementing the legislation would have no significant net impact on the federal budget.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as amended, is to amend the Energy Policy Act of 2005 to modify the Pilot Project offices of the Federal Permit Streamlining Pilot Project.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. The Chairman does not believe that this bill directs any executive branch official to conduct any specific rule-making proceedings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be du-

plicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ENERGY POLICY ACT OF 2005

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TITLE III—OIL AND GAS

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Subtitle F—Access to Federal Lands

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SEC. 365. PILOT PROJECT TO IMPROVE FEDERAL PERMIT COORDINATION.

(a) ESTABLISHMENT.—The Secretary of the Interior (referred to in this section as the “Secretary”) shall establish a Federal Permit Streamlining Pilot Project (referred to in this section as the “Pilot Project”).

(b) MEMORANDUM OF UNDERSTANDING.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall enter into a memorandum of understanding for purposes of this section with—

(A) the Secretary of Agriculture;

(B) the Administrator of the Environmental Protection Agency; and

(C) the Chief of Engineers.

(2) STATE PARTICIPATION.—The Secretary may request that the Governors of Wyoming, Montana, Colorado, Utah, and New Mexico be signatories to the memorandum of understanding.

(c) DESIGNATION OF QUALIFIED STAFF.—

(1) IN GENERAL.—Not later than 30 days after the date of the signing of the memorandum of understanding under subsection (b), all Federal signatory parties shall, if appropriate, assign to each of the field offices identified in subsection (d) an employee who has expertise in the regulatory issues relating to the office in which the employee is employed, including, as applicable, particular expertise in—

(A) the consultations and the preparation of biological opinions under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536);

(B) permits under section 404 of Federal Water Pollution Control Act (33 U.S.C. 1344);

(C) regulatory matters under the Clean Air Act (42 U.S.C. 7401 et seq.);

(D) planning under the National Forest Management Act of 1976 (16 U.S.C. 472a et seq.); and

(E) the preparation of analyses under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) DUTIES.—Each employee assigned under paragraph (1) shall—

(A) not later than 90 days after the date of assignment, report to the Bureau of Land Management Field Managers in the office to which the employee is assigned;

(B) be responsible for all issues relating to the jurisdiction of the home office or agency of the employee; and

(C) participate as part of the team of personnel working on proposed energy projects, planning, and environmental analyses.

[(d) FIELD OFFICES.—The following Bureau of Land Management Field Offices shall serve as the Pilot Project offices:

[(1) Rawlins, Wyoming.

[(2) Buffalo, Wyoming.

[(3) Miles City, Montana.

[(4) Farmington, New Mexico.

[(5) Carlsbad, New Mexico.

[(6) Grand Junction/Glenwood Springs, Colorado.

[(7) Vernal, Utah.]]

(d) PILOT PROJECT OFFICES.—*The following Bureau of Land Management Offices shall serve as the Pilot Project offices:*

(1) *Rawlins Field Office, Wyoming.*

(2) *High Plains District Office, Wyoming.*

(3) *Montana/Dakotas State Office, Montana.*

(4) *Farmington Field Office, New Mexico.*

(5) *Carlsbad Field Office, New Mexico.*

(6) *Grand Junction/Glenwood Springs Field Office, Colorado.*

(7) *Vernal Field Office, Utah.*

(e) REPORTS.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to Congress a report that—

(1) outlines the results of the Pilot Project to date; and

(2) makes a recommendation to the President regarding whether the Pilot Project should be implemented throughout the United States.

(f) ADDITIONAL PERSONNEL.—The Secretary shall assign to each field office identified in subsection (d) any additional personnel that are necessary to ensure the effective implementation of—

(1) the Pilot Project; and

(2) other programs administered by the field offices, including inspection and enforcement relating to energy development on Federal land, in accordance with the multiple use mandate of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(g) PERMIT PROCESSING IMPROVEMENT FUND.—Section 35 of the Mineral Leasing Act (30 U.S.C. 191) is amended by adding at the end the following:

“(c)(1) Notwithstanding the first sentence of subsection (a), any rentals received from leases in any State (other than the State of Alaska) on or after the date of enactment of this subsection shall be deposited in the Treasury, to be allocated in accordance with paragraph (2).

“(2) Of the amounts deposited in the Treasury under paragraph (1)—

“(A) 50 percent shall be paid by the Secretary of the Treasury to the State within the boundaries of which the leased land is located or the deposits were derived; and

“(B) 50 percent shall be deposited in a special fund in the Treasury, to be known as the ‘BLM Permit Processing Improvement Fund’ (referred to in this subsection as the ‘Fund’).

“(3) For each of fiscal years 2006 through 2015, the Fund shall be available to the Secretary of the Interior for expenditure, without further appropriation and without fiscal year limitation, for the coordination and processing of oil and gas use authorizations on onshore Federal land under the jurisdiction of the Pilot Project offices identified in section 365(d) of the Energy Policy Act of 2005.”.

(h) TRANSFER OF FUNDS.—For the purposes of coordination and processing of oil and gas use authorizations on Federal land under the administration of the Pilot Project offices identified in subsection (d), the Secretary may authorize the expenditure or transfer of such funds as are necessary to—

- (1) the United States Fish and Wildlife Service;
- (2) the Bureau of Indian Affairs;
- (3) the Forest Service;
- (4) the Environmental Protection Agency;
- (5) the Corps of Engineers; and
- (6) the States of Wyoming, Montana, Colorado, Utah, and New Mexico.

(i) FEES.—During the period in which the Pilot Project is authorized, the Secretary shall not implement a rulemaking that would enable an increase in fees to recover additional costs related to processing drilling-related permit applications and use authorizations.

(j) SAVINGS PROVISION.—Nothing in this section affects—

- (1) the operation of any Federal or State law; or
- (2) any delegation of authority made by the head of a Federal agency whose employees are participating in the Pilot Project.

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